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Pact Foreign Ministers Meeting Ends in Budapest

Grosz Receives Participants

LD2810222788 Prague Domestic Service in Slovak 2200 GMT 28 Oct 88

[Text] Karoly Grosz, the highest Hungarian party and governmental representative, received in Budapest the foreign ministers of Warsaw Pact member states. In honor of the Warsaw Pact foreign ministers a gala dinner was also given in Budapest.

The session will continue tomorrow and the adoption of final communique is expected then.

Johanes on Conference

LD2910180588 Prague CTK in English 1630 GMT 29 Oct 88

[Text] Budapest Oct 29 (CTK correspondent)—The session of the Warsaw Treaty Foreign Ministers Committee contributed to the deepening of coordination of the member states foreign policies and their efforts for strengthening the positive trends in international relations, Czechoslovak Foreign Minister Jaromir Johanes told Czechoslovak journalists here today.

He stressed the need for the search for ways leading to a further lessening of tension, disarmament and averting of war in the spirit of new political thinking, and underlined that the Warsaw Treaty strive for a rapid ending of the Vienna follow-up meeting.

Czechoslovak representatives briefed the session on the country's share in the strengthening of security in Europe and the building of a common European house, especially on the Czechoslovak initiative for the creation of a zone of confidence, cooperation and good-neighbour relations on the line dividing the Warsaw Treaty and NATO states, submitted by Communist Party General Secretary Milos Jakes, the Czechoslovak foreign minister stressed.

Varkonyi Briefs Press

LD2910120388 Budapest Domestic Service in Hungarian 1100 GMT 29 Oct 88

[Text] The Warsaw Pact Foreign Ministerial Committee meeting ended today in Budapest. Istvan Kulcsar reports from the government's building on the Szabadsaghegy:

[Kulcsar] At 1058, earlier than stated, Foreign Minister Peter Varkonyi began his press conference on the meeting. In addition to my Hungarian colleagues there were many Budapest correspondents from foreign news organs.

The minister praised the statement which was accepted at the session, and has already been made public:

[Begin Varkonyi recording] We have accepted a statement which in fact has the force of an appeal, emanating once again from Budapest. It concerns one of the extremely important factors in the Helsinki process—I am referring to the earlier document. After issuing the document on reducing European armed forces and conventional armaments, we have now issued a document, a statement, on strengthening confidence. [end recording]

[Kulcsar] Peter Varkonyi then described the Warsaw Pact foreign ministers talks this morning, during which Soviet Foreign Minister Shevardnadze briefed his colleagues on the recent Moscow talks of FRG Chancellor Kohl.

Replying to questions, the Hungarian foreign minister expressed his hope that the Vienna follow-up conference would end this year, that after this the 35-power conference on strengthening confidence could continue, and that the 23-power conference discussing the reduction of european conventional armed forces and weapons could commence.

Replying to a question from a reporter, Petar Varkonyi said that during these talks in Budapest the foreign ministers had held fewer protocol discussions and more nonofficial but substantive discussions than before. In the future, this tendency will probably grow.

Varkonyi on Vienna Meeting

LD2910150688 Budapest Domestic Service in Hungarian 1300 GMT 29 Oct 88

[Excerpts] In Budapest this morning, a session of the Warsaw Pact Foreign Ministerial Committee ended. Hungarian Foreign Minister Peter Varkonyi briefed representatives of the Hungarian and foreign press organs on the work of the meeting. Istvan Kulcsar represented Hungarian radio at the press conference. [passage omitted]

[Begin recording] [Kulscar] Istvan Kulcsar, Hungarian Radio. The Vienna follow-up conference, according to general opinion, has become rather drawn out. In your opinion, what are the reasons for this, and when do you expect its conclusion?

[Varkonyi] The Vienna follow-up conference has been under way for around 2 years now, and without doubt the drafting of a substantial closing document has taken more time than we earlier envisaged or would have wanted.

There is no doubt, however, that the task which stands before the Vienna conference—namely the acceptance of a substantial closing document which does not simply register the results so far, but guarantees progress in the most varied areas of life in the European process of cooperation—this takes longer and is a more difficult task.

It seems now, and this has already been mentioned here at the foreign ministerial meeting, that we are within touching distance of concluding the Vienna follow-up conference with a substantial closing document.

The Warsaw Pact member states are prepared to make every effort to advance the earliest possible and successful conclusion. [end recording]

Olechowski Interviewed

LD3010013088 Warsaw PAP in English 1814 GMT 29 Oct 88

[By PAP Correspondent Tadeusz Belerski]

[Text] Budapest, Oct. 29—In an interview granted to PAP correspondent, Polish Foreign Affairs Minister Tadeusz Olechowski spoke about the work of the foreign ministers committee of states-parties to the Warsaw Treaty.

Asked about the key topics of the committee's meeting in Budapest, Olechowski replied that the meeting was dominated by issues of special importance both for Poland and her partners. I am referring to the matter of constructing Europe as a continent of peace and good-neighbourly community. At the same time we spoke about broader, longterm processes and trends, about our vision of Europe's tomorrow, Olechowski said.

We would like to endow the adopted documents, including the statement on security and confidence building measures as well as disarmament in Europe, with a concrete and business-like character. The main message that they carry is a confirmation of the openness of our alliance to dialogue and contacts, readiness to break through barriers and distrust on the continent jointly with the West. At issue is not only better understanding among politicians but also easier communication between societies, endowing detente results with social scope, the foreign minister stated.

Asked whether new elements have occurred in the work of this group, Olechowski said: At the meeting of ministers we also discussed the matter of broadly understood contacts between societies of our countries. We have achieved certain progress in this respect.

Disarmament Measures Outlined

LD2810204588 Budapest MTI in English 1839 GMT 28 Oct 88

["Statement on Confidence- and Security-Building Measures and Disarmament in Europe"—MTI headline]

[Text] Budapest, October 28 (MTI)—The states parties to the Warsaw Treaty believe that confidence- and security-building measures can facilitate, as significant means and stimulating factors, the reduction of military threat and the achievement of real disarmament, as well as the strengthening of peace and stability of relations between states.

From the point of view of improving the political atmosphere, the importance of measures adopted at the Stockholm Conference on Confidence- and Security-building Measures and Disarmament in Europe in September 1986 is becoming apparent to the extent of their implementation. The Stockholm document demonstrates that important security issues can be solved by political will and mutual efforts by all interested states in the spirit of the new thinking. The resumption of the work of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe and the further implementation of the Stockholm document and its provisions broadens the perspectives for negotiations concerning both more significant confidence- and security- building measures and the reduction of armed forces and conventional armaments in Europe.

Further improvement of confidence- and security-building measures on the European continent is of particular significance today when the 23 states parties to the Warsaw Treaty and NATO are preparing to enter into negotiations of unique scope and importance on armed forces and conventional armaments in Europe from the Atlantic to the Urals. In the view of the allied socialist countries military confidence- and security-building measure and efforts towards the reduction of armed forces and conventional armaments are interrelated. Further steps in the field of confidence- and security-building measures facilitate progress towards the reduction of armed forces and conventional armaments in Europe and the solution of other disarmament issues, which in turn would create favourable conditions to increased confidence.

The ministers for foreign affairs of the states parties to the Warsaw Treaty believe that the negotiations on confidence- and security-building measures in Europe should be continued as early as 1988.

In order to reduce military confrontation and the risk of an armed conflict in Europe, to reduce and avert the danger of a surprise attack and to enhance mutual security, to lend a strictly defensive character to military activities and to increase their openness and predictability as well as to promote the implementation of disarmament measures, the negotiations should make it possible that the measures elaborated ultimately cover the activity of all elements of armed forces (ground, air and naval forces) of the states participating in the process of security and cooperation in Europe (CSCE). The creation, on an equal basis, of mechanisms and procedures for contacts and consultations would also serve these objectives.

Confidence- and security-building measures should be applied to all the military activities of the participating states that affect European security or which constitute part of military actions taking place within the boundaries of Europe. These measures should be substantial, militarily effective and politically binding.

The military confidence- and security-building measures should be worked out and introduced gradually, taking into account the military and geographical realities in Europe and the level of mutual understanding among states.

Being an important element of the all-European process the negotiations should be conducted on the basis of the Madrid mandate, including the objectives, the principles, the subject of negotiations, the zone of application of confidence- and security-building measures, the rules of procedure contained in the mandate, and should be in accordance with the concluding document of the Vienna follow-up meeting.

It would be expedient to continue efforts at the negotiations to develop and expand the existing confidence- and security-building measures, and a new set of measures could also be worked out on the basis of proposals by the participating states.

Agreements to be reached in the course of the negotiations by the 23 and 35 states respectively should be in harmony with each other and should complement and reinforce each other.

In the view of the states parties to the Warsaw Treaty a new generation of confidence- and security-building measures could be worked out in the following main directions:

1. Constraining Measures [subtitle]

The measures would apply to the size and number of simultaneous military exercises, the duration and frequency of military exercises, ban large-scale military exercises and restrict the redeployment of troops and technical equipment. Moreover, they would envisage the limitation of the number of combat-ready (alertness) military exercises and the number of troops engaged, they would affect the series of large-scale military exercises constituting a unified military exercise by concept, and would also envisage restraint on military activities in the vicinity of the borders of the participating states.

2. New Confidence- and Security-Building Measures [subtitle]

These would include prior notification of independent activities by air and naval forces, invitation of observers according to appropriate parameters, inspection of such activities and agreement on restricting measures, modalities of the exchange of annual calendars of such activities, extension of confidence- and security-building measures to the territories of all the countries participating in the CSCE process, creation of zones of confidence and security in Europe and the adjoining seas and oceans, and also the possibility of working out such confidence- and security- building measures that envisage more stringent regimes on the basis of the closeness to lines of contact between the military-political alliances or other states. Measures to avoid incidents on seas and oceans adjoining Europe and in the airspace thereof would also be coordinated.

Different aspects of military doctrines could be discussed and compared in the course of or in connection with the negotiations. Issues related to a freeze on and reduction of military budgets could also be explored.

The states parties to the Warsaw Treaty believe that the establishment of a European centre for reducing military threat and preventing surprise attack would signify a qualitatively new step in reinforcing mutual confidence. The task of such a centre would be to exchange information and maintaining contacts as well as to hold consultations primarily for the operation settlement of events which give rise to concern of suspicion.

3. Measures To Increase the Openness and Predictability of Military Activities: Inspection, Exchange of Information and Consultations [subtitle]

These measures would cover regular exchange of data on armed forces and their activities, including forces deployed at military bases around Europe, exchange of information of the structure and substance of military budgets, refraining from building up armed forces and renouncing the establishment of new military bases on the territory of foreign states, setting up observation posts at coordinated sites (points) within the zone of application of confidence- and security-building measures, creation of special operative communication links between the interested countries, improving conditions for inspection and working opportunities for observers, the use of the latest technical equipment, developing relations between political and military representatives of the participating states, and broadening the present practice of exchange of military-diplomatic representations and military delegations.

Other measures promoting mutual understanding and enhancing confidence and security could also be adopted.

The ideas and proposals by the states parties to the Warsaw Treaty concerning confidence- and security-building measures are based on the defensive nature of their military doctrine. Their implementation is meant to make the military potentials of the participating states become strictly defensive in nature.

In connection with this, the states represented at the meeting stand for the elimination of military bases of foreign territories and reaffirm their position concerning the simultaneous dissolution of the military-political alliances.

In the opinion of the states parties to the Warsaw Treaty, the convening of an all-European summit meeting to explore issues concerning the reduction of armed forces and conventional armaments in Europe, with the participation of the United States and Canada, would also contribute to the elaboration and implementation of new confidence- and security-building measures.

The states parties to the Warsaw Treaty are ready to study other possible proposals aiming to enhance mutual confidence and security and to accelerate the process of disarmament in Europe.

Socialist States' Trade Union Officials Meet

LD2210092088 East Berlin ADN International Service in German 1844 GMT 21 Oct 88

[Text] Berlin (ADN)—Experiences in the careful examination of the responsible and timely schedule processing of proposals, suggestions, and criticism of the working people were discussed by the chairmen of the central auditing commissions of trade unions of the European socialist countries at a 3-day conference. The participants in the meeting were received in Berlin today by Harry Tisch, FDGB national executive chairman. During the exchange of views and ideas, he dealt in detail with the role and tasks of the trade unions in the GDR in the further molding of the advanced socialist society.

Harry Tisch explained how the trade unions are contributing to the motivation of working people to trust cooperation to high economic achievements and, linked to this, to the steady improvement of working and living conditions. Under the proven principle "help work, help plan, help govern," socialist democracy is developing correctly in the working teams.

One example of this was the comprehensive discussion of the 1989 national economic plan, conducted at present in enterprises and combines, in the course of which many proposals and suggestions were presented. Their contents reflect the commitment of the working people concerning all issues of daily life.

The FDGB national executive chairman underlined the great responsibility of the Central Auditing Commission in examining and processing these proposals, suggestions and criticisms, and emphasized that important questions of trade union work and the effectiveness of socialist democracy are interlocked. A steady organized development of financial management and its careful supervision by the commission contributed substantially to the realization of the resolutions of the 11th FDGB Congress.

The chairmen of the central auditing commissions conclude their talks on Saturday.

U.S. INF Inspectors Arrive in GDR 30 Oct

LD3010134388 East Berlin ADN International Service in German 1317 GMT 30 Oct 88

[Text] Berlin (ADN)—A group of U.S. inspectors arrived in the German Democratic Republic 30 October 1988. The inspectors are to check up on the former deployment sites in the GDR on the realization of the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles.

The eight inspectors were welcomed at Leipzig-Schkeuditz Airport this morning by representatives of the GDR Foreign Ministry, the GDR National Defense Ministry, and the Soviet Army. According to the agreement between the GDR, USSR, and CSSR on inspections in connection with the INF Treaty, the GDR is meeting its obligations to support the United States in its inspections on GDR territory.

Belgian Economic Delegation Activities Reported

Received by Atanasov

AU2810203088 Sofia BTA in English
2325 GMT 25 Oct 88

[Text] Sofia, October 25 (BTA)—Mr Georgi Atanasov, chairman of the Council of Ministers, today received the head of the visiting Belgian economic delegation Prince Albert, honorary president of the Belgian Foreign Trade Service, and Mr Robert Urbain, minister of foreign trade of Belgium.

Mr Georgi Atanasov set forth the outlines of the restructuring which is implemented in this country and emphasized that it is closely associated with the further integration of the Bulgarian economy into the world economy and with the activation of the Bulgarian organisations' business cooperation with foreign partners. In this connection, he stressed the Bulgarian Government's readiness to help establish contacts and to implement joint projects, including the establishment of joint ventures between companies in the two countries.

The Belgian guests said the business community and the public in their country were showing interest in and sympathy for the restructuring in Bulgaria. The confidence was expressed that the active bilateral talks, which will be held in the coming days, as well as the signing in Sofia and in Brussels of agreements on reciprocal encouragement and protection of investment and on the avoidance of double taxation, will give an impetus to the trade, economic and production cooperation between Bulgaria and Belgium.

'Good Prospects' for Cooperation

AU2610202088 Sofia BTA in English
1836 GMT 26 Oct 88

["Wide Prospects for Bulgaro-Belgian Cooperation"—BTA headline]

[Text] Sofia, October 26 (BTA)—The Belgian Prince Albert, honorary president of the Belgian Foreign Trade Service, said today that Belgium shares Bulgaria's wish to increase goods exchange and develop industrial cooperation with Belgium, an evidence of which is the visit in this country of a large Belgian economic delegation.

At the press conference given today by Prince Albert and Mr Robert Urbain, the Belgian minister of external trade, it was said that there are good prospects for Bulgaro-Belgian cooperation.

As Mr Robert Urbain indicated a good basis for this are the agreement signed here on the encouragement and protection of investments and the agreement, signed at the same time in Brussels, for exemption of the double taxation.

"I think," he said, "that it is high time for the traditional goods exchange to give way to a new type of cooperation, which is more difficult, but also more important and lasting."

Bulgaria's and Belgium's interest in the development of economic and trade cooperation was also stressed upon in the communique on the talks, signed by the two sides.

It stresses that there are favourable possibilities for expanding of cooperation in the sphere of agriculture and agro-industry, in telecommunications, electronics and electrical engineering, in biotechnologies, the chemical industry, machine building, banking, management and marketing.

The two sides hailed the fact that at the time of the Belgian economic delegation visit in this country, a number of agreements in the sphere of agro-industry and management between the two countries' enterprises are nearing their fulfillment.

The Belgian side announced their participation in the spring Plovdiv Fair, and the Bulgarian enterprises will be invited to the International Flanders Technology Fair in Ghent.

A symposium on "Small and Medium-Size Enterprises Management and Foreign Trade" is to be organized in Sofia.

The two sides also stressed upon the need of cooperation on third markets.

Macedonia's Gogovski Concludes Visit

Tours Plovdiv, Meets Lukanov

AU2710203488 Sofia Domestic Service in Bulgarian
2000 GMT 27 Oct 88

[Text] Gligorie Gogovski, chairman of the Executive Council of the Assembly of the SR of Macedonia, who is visiting Bulgaria, today arrived in Plovdiv. He toured the "Integrated Automation of Assembly" technological combine, one of the important structure-determining installations in Plovdiv Oblast.

Later a meeting took place between Gligorie Gogovski and Andrey Lukanov, minister of foreign economic relations.

Tours Blagoevrad, Departs

AU2810180788 Sofia BTA in English
1713 GMT 28 Oct 88

["Visit of Gligorie Gogovski Ended"—BTA headline]

[Text] Sofia, October 28 (BTA)—Today, on the last day of his visit to Bulgaria, Mr Gligorie Gogovski, president of the Executive Council of the Assembly of the Socialist Republic of Macedonia, became acquainted with the development of the commune of Blagoevgrad (southwestern Bulgaria). The guest visited the communication equipment works, one of the largest and most-modern equipped enterprises in the communication industry in this country, whose production is well appreciated on the home and foreign market.

The Yugoslavian guest visited the commune of Petrich, where he became acquainted with the works, specialized in the production of knitwear and sportswear.

Mr Gligorie Gogovski was accompanied by Mr Khristo Khristov, minister at the Ministry of Foreign Economic Relations.

Some time later, the guest left the country.

Todoriev Describes Changes in Energy Industry

AU2810104688 Sofia NARODNA ARMIYA in Bulgarian 26 Oct 88 pp 1, 3

[Interview with Prof Nikola Todoriev, chairman of the Energetika Association, by Valeri Vasev: "For a Normal Energy Supply" under the rubric: "Trends of Restructuring—date and place not given"]

[Excerpts] The energy industry is one of the "bottlenecks" in the large network of each country's economy. Its normal functioning and the manner in which it provides for the "base" of production in a given country determine the entire economic situation and the country's prosperity. In the dynamic development of present-day restructuring, the supply of energy is a major strategic task. The present and future of our native energy industry is a matter of concern to all of us. This is the reason why, today's "trends of restructuring" called for a meeting between a representative of our editorial board and Prof Nikola Todoriev, chairman of the Energetika Association.

[Vasev] Comrade Todoriev, can you describe the "power" with which your sector joined the general restructuring process in our economic sector?

[Todoriev] In connection with the implementation of the decisions adopted by the July plenum of the BCP Central Committee held in 1987 the Energetika Association has actively joined the restructuring process. The Bulgarian energy industry workers and miners enthusiastically and with understanding joined the restructuring process. Research work on the state of basic installations is proceeding, and the economic situation of the energy industry enterprises and the respective labor collectives is being analyzed. This is how the possibilities of self-support can be revealed and the production structure improved; this is how the development prospects of the energy supply sector can be clarified.

Over 50 contracts with enterprises and labor collectives have already been signed, resulting in collectives taking over the state property. Large enterprises such as the Maritsa-East 2 thermoelectric station and the Troyanovo-3 coal mine belonging to the Maritsa-East Economic Trust and the Varna thermoelectric plant signed contracts with representatives of the Council of Ministers. All this creates prerequisites for a greater mobilization of the collectives.

As a result of the purpose-oriented efforts of energy industry workers and miners, the production of electric power in 1988 increased by 3.6 percent compared with the first half of 1987. The production of the Kozloduy nuclear power station, including the new No 5 power unit has increased over the aforementioned period.

We are aware that restructuring in the energy industry system and the full utilization of the power plants represent, to a great extent, a preliminary condition for the achievement of the goals assigned in connection with the restructuring process throughout our entire national economic system.

[Vasev] Can you describe the trends of development of the Bulgarian energy industry sector until the end of the current 5-year plan period? Could you be so kind as to tell us something more about the future of nuclear power?

[Todoriev] The chief trends in energy industry development until the end of the present 5-year plan period will be the increasing long-term utilization of local fuel and energy resources and the reduction of the share of imported energy resources, and the accelerated development of nuclear power, as well as the expansion of the reliability and quality of the energy supply.

It is envisaged to further develop the policy of efficiently using energy supply resources through restructuring the economy and by introducing energy-saving technologies in production, as well as through the conversion of energy and fuel, and through improving the technical standards of the energy base in our country. Automated systems will be widely applied for the implementation of a further synthesis between energy technologies and electronics.

One of the basic trends in restructuring electricity production is the accelerated development of nuclear power. The energy production of nuclear power stations is envisaged to increase from 48 to 55 percent of the total electricity production in our country (for 1995 and up to 2000 respectively).

In order to implement this program, the construction of large power units is envisaged, supplied with VVER-1000 type hydrogen reactors of 1,000-megawatt power. In 1987 unit No 5 of the Kozloduy nuclear power plant equipped with the same type of reactors was commissioned, and in 1989 it is envisaged to introduce unit No 6 at the same nuclear power station. The general energy capacity of the Kozloduy Nuclear Power Plant will increase to 3,760 megawatts.

The construction of Belene, the second nuclear power plant, is expected to be commissioned in 1992 while the next three units are planned to be installed in 1994, 1997, and 2000. [passage omitted]

[Vasev] Can you describe what has so far been accomplished in connection with the preparation of the total energy supply system for autumn and winter, and can you provide some details on this preparation?

[Todoriev] Preparation of the power plants for the forthcoming season began as early as March 1988 by repairing and overhauling the equipment in accordance with the adopted maintenance program. So far this program is being implemented through basic and intermediate repairs in thermoelectric power plants and hydroelectric plants, without any essential delays in the envisaged schedules.

In connection with preventive overhaul and repair of general plant installations, the following plants were shut down for a certain period: The First Komsomol thermoelectric power plant, the Maritsa East-2 thermoelectric power plant, the Maritsa East-3 thermoelectric power plant, the Bobov Dol thermoelectric power plant, and the Dimo Dichev electric power plant.

A basic element in the preparation of the Kozloduy nuclear power plant for normal operations during the forthcoming winter is the high quality of the basic and current overhaul that is in process. In addition to the standard maintenance work, appropriate measures have been adopted to improve the safety of the plant.

During the past months the capacity of the newly commissioned No 5 1000-megawatt unit was successfully utilized.

The basic maintenance and overhaul in the case of heavy mining and transport equipment is being accomplished according to the established plan-schedule.

The coal supplies for storage in power plants is proceeding at a regular pace, and at the beginning of autumn and winter, the plants will be provided with the necessary storage coal for normal operations.

A total of 56,000 tons of briquettes in excess of the amount envisaged by the plan were provided as reserves by the end of August 1988.

Considering the shortage of water supplies in reservoirs, the hydroelectric plants will work at reduced capacity this winter. This will result in considerable difficulties at peak times of power consumption.

Regardless of the large amount of maintenance and overhaul, the capacity of the existing power plants will not suffice to cover the needs of this winter's consumption at peak times with the necessary reserves in case of breakdowns. The absence of sufficient reserve energy capacities will cause considerable difficulties in the operation of the energy supply system, not only during next autumn and winter, but also over the forthcoming years. For this reason the regime of restricted electricity consumption should not be considered a seasonal, or temporary problem. It applies to all seasons of the year and its implementation, as well as its steady improvement, are urgently required.

The country's normal energy supply will be guaranteed provided that the measures mapped out in this respect are implemented through the preparation of power installations for winter, and that the regulations on the restricted consumption of electric power are strictly observed both in the material-production sphere and in the communal everyday life sectors throughout the beginning of autumn and winter.

Customs Official Explains New Regulations

AU2510190288 Sofia RABOTNICHESKO DELO in Bulgarian 22 Oct 88 p 2

[Commentary by Nikolay Nikolov, head of the "Customs" Administration on Decree No 33 "on improving the customs regime for exports and imports of goods by private citizens," adopted by the Council of Ministers on 11 October 1988: "Changes in Customs Tariffs"]

[Text] In adopting Decree No 33, the Council of Ministers has introduced new customs tariffs on goods exported and imported by Bulgarian and foreign citizens. All formerly applied restrictions in connection with the import of goods by local citizens regarding the total value of imported goods are canceled. Additional conditions are provided to ensure the application of Decree No 35, issued by the Council of Ministers in 1987 in connection with the purchase of production means and improving the supply of the population with mass consumer goods. In order to prevent imports of goods to obtain illegal profits and to protect the monopoly of our foreign trade institutions, the principle that goods imported by private citizens should not exceed the amount required to cover their own needs and the needs of their families will be further observed.

The aforementioned decree introduces a liberalization of imports. Custom duties will be imposed only on 22 varieties of goods. Custom duties amounting to 10 percent will be imposed on 20 varieties of these goods, while only 2 varieties will be subject to 60 percent duties. All other goods imported by Bulgarian or foreign citizens during their travels, or dispatched to Bulgarian citizens by relatives living abroad will be duty-free.

The minimum custom duty amounting to 10 percent will be applied to machines and appliances for the use of the population, and this regulation enables citizens who are in the possession of foreign currency they have earned themselves, or have received as gifts from relatives living abroad to purchase such items. Imports of auxiliary materials and raw materials for the production of goods are allowed. Customs duties on imports of electrical and electronic musical instruments, synthesizing and modifying musical devices, as well as imports of music centers, video equipment, amplifiers, and so forth are being reduced and will amount to 10 percent.

The import of 3.5 ton freight trucks is allowed with a 10 percent custom duty.

Imports of private automobiles produced in socialist countries is duty free, which also applies to all spare parts for such vehicles purchased in socialist countries, or received as gifts from residents of those countries, including buses, engines, and engine blocks.

Customs duties on private automobiles imported from nonsocialist countries are reduced from 200 percent to 20 percent and will be paid in convertible currency. The same customs duties will be collected for vehicles produced in socialist countries which are purchased or received as gifts in nonsocialist countries.

The Korekom foreign trade organization and the Mototekhnika economic trust are authorized to import and sell new and used automobiles and freight trucks, with a capacity amounting to 3.5 tons in foreign currency. This right is granted to economic organizations as well in exchange for exports of goods. They are obliged to sell automobiles imported to the People's Republic of Bulgaria through the Mototekhnika economic trust and according to the established order.

Restrictions are introduced in connection with imports of automobiles and freight trucks. Customs officials are entitled to authorize the import of automobiles, provided they were produced no earlier than 5 years ago and if the producer or supplier firms have opened service stations for the maintainance of such vehicles in accordance with current regulations.

Individuals who own private automobiles imported from abroad or purchased with foreign currency from specialized enterprises, are authorized, if they wish, to transfer ownership of such vehicles before the 3-year period, since the date of the import or purchase elapses after paying a 40 percent tax on the vehicle's insurance value to the state.

The restriction on property transfer of goods imported from abroad, or purchased from the Korekom foreign trade organization, for a 3-year period, remains valid.

The high rate of export customs duties imposed on 17 kinds of foodstuffs and durable consumer goods produced in our country, which represent a special interest for people, and for foreign citizens in particular, to export them, will remain valid in the customs tariff. A special list has been added to the aforementioned decree, describing a number of goods which are banned from export by private citizens.

The aforementioned Council of Ministers decree will come into effect as of 29 October 1988.

Functions of Consumers Councils Explained

AU2510160688 Sofia BTA in English
1442 GMT 25 Oct 88

[Text] October 25 (BTA)—The newly founded Consumers Council includes representatives of social organizations, ministries, scientific institutes, mass media. The council is chaired by Mr. Nikifor Stoichkov, secretary of the National Council of the Fatherland Front.

Before the establishment of the council at the central leadership of the Fatherland Front, local councils were set up in some of the regions. The councils are elective at all levels.

They are all social bodies whose aim is to protect the interests of the citizens before the producers and the trade organizations. The need of such councils was recognized also in the resolution of the Politburo of the CC of the BCP for restructuring in trade and services, released this year.

The councils will study the opinion and will collect the proposals of the citizens. They will make surveys of the market and of the need of goods.

The consumers councils have the right to introduce proposals for the improvement of trade services, for the diversification of the range and improvement of the quality of goods. They will control the prices and quality of goods and services and will oppose the abuse of goods producers' and businessmen monopoly. In the presence of infringements and abuses the councils will turn to the investigating authorities and the Prosecutor's Office. The state bodies will be obliged to consider the issues posed by the councils.

Mr. Georgi Atanasov, chairman of the Council of Ministers, who was present at the Constituent Assembly of the National Council, assessed the event as an expression of the growing activity and role of society in the formation of the market policy.

The councils of the consumers will give publicity to its findings. They are granted the right to participate in the development and adoption of programmes and plans in the sphere of trade and services.

They will establish contacts with related foreign social organizations, whose experience has been take into consideration in the establishment of the Bulgarian councils. There are 52 countries with similar organizations, according to the press.

The National Council has already mapped up subjects for surveys. This month a check of the delivery of heating materials is to begin and of the quality of some construction materials. The council representatives are to participate in the conclusion of contracts between producers and businessmen in the following year.

Reportage on 28 Oct Protests in Prague

Demonstrators 'Driven Off' by Police

LD2810150688 Hamburg DPA in German
1439 GMT 28 Oct 88

[Text] Prague (DPA)—This afternoon police in Prague used truncheons and water cannons against several thousand demonstrators. They had assembled on Wenceslas Square for a rally. It was said that after the demonstrators had sung the Czechoslovak national anthem, the security forces deployed three water cannons in order to break up the crowd.

The demonstrators had responded to a call by illegal human rights organizations and had assembled at 1500 on Wenceslas Square for the prohibited demonstration on the 70th anniversary of the founding of the Czechoslovak Republic.

The demonstrators, who were driven off Wenceslas Square in Prague with water cannons and batons, regrouped, many of them completely drenched, on Old Town Ring, a main road. They gathered around the memorial dedicated to the reformer Jan Hus. They sang the national anthem and read out a proclamation of "Charter 77." The police then used water cannons on the crowd on Old Town Ring. Policemen with plastic shields came into the crowd. The demonstration broke up when darkness fell.

New demonstrations for Saturday are not discounted, as the civil rights organizations appealed to the population to demonstrate against the leadership on every Saturday in October.

Police Arrest 60 Demonstrators

AU2810161688 Paris AFP in English
1609 GMT 28 Oct 88

[Excerpt] Prague, Oct 28 (AFP)—Czechoslovak police violently broke up a demonstration here on Friday, the 70th anniversary of the country's founding, by opponents to the Communist authorities.

At least 60 dissidents were reported to have been arrested in a swoop by police prior to a demonstration by several thousand in Wenceslas Square, in the centre of Prague, which was ringed by police, according to an AGENCE FRANCE-PRESSE reporter at the scene.

Police ordered demonstrators to end their protest and riot squad forces with water cannons and police dogs then moved in to disperse the crowd. They carried out several dozen arrests.

Demonstrators in the square near Prague's old quarter chanted "Long live freedom," and "Masaryk", a reference to Tomas Garrigue Masaryk who was Czechoslovakia's independence leader and first president. They chanted: "Up with Charter 77," the banned human rights group, and shouted "Gestapo" at the police.

Relatives of dissidents arrested before the protest said some had been allowed to telephone their families and had said they would be released before the end of a 48-hour legal limit for detention without charge. [passage omitted]

Prague Views 'Illegal Gathering'

LD2810182488 Prague Domestic Service in Czech
1730 GMT 28 Oct 88

[Text] As the Czechoslovak news agency CTK pointed out in a statement on Monday, some individual and groups have decided to abuse the anniversary of the founding of the Czechoslovak state for their antisocialist objectives by holding an illegal gathering in Prague. Despite a ban by the Department of Internal Affairs of the Prague-1 District National Committee, there was an attempt this afternoon to hold such a gathering in the center of Prague.

Some of those present did not respond when ordered to disperse. In full accordance with the Czechoslovak legal order and the order by the Prague National Committee, those taking part in the gathering were repeatedly warned about their illegal action. When these warnings were not obeyed, the forces of order were obliged to clear Wenceslas Square and establish calm and order in the city.

TV Says 87 Persons 'Detained'

LD2810202688 Prague Television Service in Czech
1830 GMT 28 Oct 88

[Text] A holiday is always an occasion for a stroll, for theater-going, for viewing exhibitions, or simply for people-watching. This was what our cameras found on Wenceslas Square today at noon: the usual fast pulse of the city center slowed down.

In the afternoon a gathering of about 2000 people disturbed the festive atmosphere of National Day—the 70th anniversary of the foundation of Czechoslovakia—in Wenceslas and Old Town Squares in Prague. There were also criminal elements among these people. The instigators also took advantage of some young people present by involving them. Because the calls to end the banned demonstration were not obeyed, national security officials firmly ended it.

The security forces detained 87 people. The intervention was complicated by the presence of a number of innocent bystanders and visitors in Prague.

The action by socialism's internal enemies and lower-class elements had over a long time been prepared with the help of foreign antisocialist and emigre centers. It was propagated by Western media, especially by the Voice of America and Radio Free Europe. The aim of the open confrontation was to cast doubt on the ongoing process of comprehensive reconstruction and democratization, which has our peoples' full support. The aim of this is also to discredit the CSSR as a signatory of the CSCE Final Document.

Police Seal Off Square To Prevent Rally

AU2910154488 Paris AFP in English
1534 GMT 29 Oct 88

[Text] Prague, Oct 29 (AFP)—Police backed by armored vehicles sealed off Wenceslas Square in central Prague on Saturday [29 October] to prevent two dissident youth organizations from holding a rally there, an AFP correspondent said.

The move came a day after police used water cannons and tear gas to disperse a demonstration marking the 70th anniversary of Czechoslovakia's independence from the Austrian Empire.

Anti-riot units and armored vehicles stoody by ready to intervene on Saturday, and Prague party leader Miroslav Stepan was seen near the square apparently coordinating the operation.

The Independent Pacifist Organization and the Children of Bohemia had called for a "public discussion" in the square, a frequent venue for demonstrations.

Such rallies have been staged there every last Saturday of the month since August.

Proclamation Adopted at National Day Rally

LD2810145888 Prague Television Service in Czech
1440 GMT 27 Oct 88

["Text" of the proclamation adopted at the rally of working people and youth in Prague on 28 October on the occasion of the 70th anniversary of the birth of the Czechoslovak state, read aloud by Josef Viklar, meritorious artist and member of the drama company of the National Theatre—live]

[Text] We, the participants in the festive rally, standing today on the historic Wenceslas Square, where the independent Czechoslovak Republic was born 70 years ago out of the will and aspirations of the people, remember with respect and gratitude the great foundation-building work. We honor 28 October 1918 as one of the most important festive days in our history. It reminds us of the legacy of our forebears, who, encouraged by the example of the Russian people, welcomed the birth of Czechoslovakia with the resolve to become a republic of national equality and unity, state independence, and social justice.

The present socialism of our republic is proof that the aspiration of our nations has been gradually realized in social struggles and in the decisive struggle against fascism. We value what has been achieved and are aware that the road up to now has not been an easy one. We have always achieved successes when our nations and working people proceeded in unity with the awareness of the common goals, when they leaned on the creative application of the scientific world outlook of Marxism-Leninism, and on the steadfast alliance with the Soviet Union. We are marking the 70th anniversary of Czechoslovakia's birth in a new, revolutionary stage of our history. Having learned from the past, and proceeding from the inspiring example of the Soviet Communists, we are striving to carry out a thorough and comprehensive restructuring and the development of socialist democracy. If restructuring is to achieve the aims we have set for ourselves, it must become a matter for all citizens, and a cause that is truly one of the whole people. The CPCZ, in alliance with other political parties and social organizations of the National Front, is the unifying and leading force. We, the participants in the festive rally declare: In keeping with the progressive traditions of our history, we shall make every effort for the flourishing of our socialist homeland, and for peace and progress throughout the world. We address ourselves to all honest citizens with this appeal: Let us be proud of our glorious history. Let us value the successes we have achieved in developing our homeland. Let us be aware that only honest, creative work by all of us will be the key to the realization of our intentions, to the future for us and our children. Let us work with the same resolve and determinaton which the people of Czechoslovakia have manifested throughout the entire 70 years in the struggle for the socialist present.

Long live our free country, the beloved homeland of the Czechs and Slovaks, the Czechoslovak Socialist Republic, and may it prosper. Long live socialism and peace. [applause]

National Day Ceremony Honors Tomas Masaryk

LD2710133588 Prague Domestic Service in Czech
1130 GMT 27 Oct 88

[Text] A solemn ceremony was held at the grave of Tomas Garrique Masaryk, the first president of the Czechoslovak Republic, in Lany Cemetery on the occasion of the 70th anniversary of the independent Czechoslovak state. Wreaths from the president of the Republic, the Federal Assembly, and the Central Committee of the CSSR National Front were laid by Jan Marko, first deputy chairman of the Federal Assembly; Tomas Travnicek, deputy chairman of the Central Committee of the National Front of Czechoslovakia; Frantisek Salda, head of the Chancellery of the president of the republic; deputy chairmen of the Federal Assembly Bohuslav Kucera and Josef Simuth; and other representatives.

New Slovak Premier Addresses SR Government

AU2710140188 Bratislava PRAVDA in Slovak
20 Oct 88 pp 1, 2

["From the Speech by Comrade Ivan Knotek," member of the CPCZ Central Committee Presidium and premier of the Slovak SR, at the 19 October session of the Slovak SR Government in Bratislava]

[Text] In his speech Comrade Ivan Knotek outlined the paths that must be taken at present to implement the main goals of accelerating the socioeconomic development in the spirit of the resolutions of the 7th, 9th, and

10th sessions of the CPCZ Central Committee and the subsequent CPSL Central Committee sessions.

I consider it necessary to stress at the outset, he said, that I am not taking upon myself the task of evaluating the activity of the Government of the Slovak SR thus far. I want to prove myself by building in my own activity on the managerial work of Comrade Colotka, on all the forms and methods that will help to meet the tasks which the party is assigning to us at this stage. I stress this for reasons of principle. In their majority, members of the Slovak SR Government represent continuity. This continuity makes it incumbent upon us, among other things, to evaluate in a demanding and responsible manner the work of each member of the government, the work of the ministerial staffs, and the work of the apparatus of central agencies and national committees. It also makes it incumbent upon us to adopt measures of principle conducive to attaining rapid progress in practical life and to eliminating everything that has not proven its worth and evidently slows down our advancement.

While pondering our approaches, we cannot underestimate and fail to respect the current domestic political situation in our country. I am thinking, in particular, of the spontaneous reaction of the population to some questions called forth by the resolution of the seventh session of the CPCZ Central Committee and by the implementation of the tasks mapped out there. Our society's embarking upon the restructuring of the economic mechanism and, by the same token, upon the restructuring of all social structures has been endorsed by the overwhelming majority of people in our country. The central managerial, but also legislative, agencies have accomplished a great deal of work to allow the restructuring of the economic mechanism to be implemented. The process of implementation itself, however, is raising a number of serious problems and questions. Their partial solution, failure to resolve them, or their solving the problems in a way that does not conform with the spirit of the restructuring of the economic mechanism—that is, the spirit of new, nontraditional directions, to which we were previously unaccustomed—is generating bewilderment and even negative tendencies among a segment of the population, especially where this reaction is compounded by the direct impact of cuts in the administrative apparatus, by the impact of increased demands on quality and on consistent fulfillment of economic contracts, by the impact of the use of repressive measures, and by the impact of a more demanding remuneration policy, of a consistent enforcement of the merit principle. That is one thing. The other thing is that, as a result of serious problems in supplier-user relations and their inconsistent solution within the framework of existing production units, branch ministries, and, in particular, between branch ministries with republican and federal jurisdiction, in many enterprises we are getting into a situation that creates the impression of chaos. One cannot but describe this situation as absence of management, absence of government.

The premier went on to deal with serious problems with the flow of supplies to the domestic market. Despite measures adopted by the federal government, and also by our republican government, the basic tasks laid down by the 17th CPCZ Congress are not being met and the situation is not improving. The sharp criticism expressed at the national All-Trade Union Conference as well as at the session of the Slovak Trade Union Council confirms that the working people's calls for corrective action are warranted. Our duty as members of the government is not to keep records of problems, but to expeditiously react to problems that arise and tackle them flexibly.

A considerable part of the Slovak SR premier's address was devoted to the solution of the tasks of the Eighth 5-Year Plan. In view of the complexity of internal and external linkages and strains between them, the results accomplished thus far, that is, the results recorded over 2 years and 9 months of the 5-year plan, can be regarded as adequate and, in some instances, even as promising. However, we would be shortsighted if we succumbed to euphoria from partial results. We must not forget that, so far, we are not fully ensuring a comprehensive fulfillment of the tasks mapped out by the 17th CPCZ Congress and the CPSL Congress, tasks that are contained in the strategic line of accelerating socioeconomic development.

We must state unambiguously that we are not succeeding in fully ensuring the task of the CPSL Congress to achieve a 4.2 to 4.5 percent annual growth in generated national income and to switch our economy from extensive to intensive forms. It is necessary to realize that the fulfillment of this task will be determined by gradual but purposefully implemented structural changes in our economy.

A very serious question in this area is connected with the practical implementation of the Federal Government Resolution No. 194 of 1987, under which investment projects planned in the Eighth 5-Year Plan are to be subjected to a review with the aim of a 20 percent reduction in the volume of newly started projects. In this way, a normal situation is to be created in relation to resources and building capacities available in the state.

In direct connection with this fact it needs to be frankly said, Comrade Ivan Knotek stressed, that we cannot identify with the [position of the] Ministry of Construction and the Building Industry. Although it adopted the task to build 124,000 apartments in the years of the Eighth 5-Year Plan, a report which the CPSL Central Committee discussed on 23 September and submitted to the CPCZ Central Committee reveals that the construction of 13,000 apartments is jeopardized. Such a forecast is unacceptable. The frontal criticism coming from the regions and the Slovak capital of Bratislava, criticism that I consider to be warranted and that is compounded by the incomplete infrastructure and amenities of our housing estates, must not only alarm us, but it make us ask the question whether we have the moral right to steer investment policy in this direction.

In view of the current situation I consider it unavoidable that the Slovak Commission for Planning and Scientific-Technical Development, in conjunction with the Ministry of Construction and the Building Industry, take measures to meet the tasks of the Eighth 5-Year Plan in this area.

In this connection, the solution of the problems of ecology-related projects requires extraordinary attention. It is becoming apparent that a sensible way out of the situation would lie in the creation of a specialized engineering and contracting organization which, starting with the drafting of designs and ending with implementation, would ensure a long-term solution of problems in this area, making use of a system of subcontractors. On the other hand, however, every sector must implement as soon as possible measures safeguarding the fulfillment of the task laid down by the congresses—not to aggravate the state of the environment.

Problems connected with improving the quality of mass public transport are becoming increasingly acute. As Comrade Ivan Knotek said, it is within the power of the government to solve the problems of the Czechoslovak State Automobile Transportation [CSAD]. The acute shortage of buses makes it necessary for the Slovak SR Government to intervene in the allocation of buses to the enterprise sphere so that, henceforth, all supplies will be redirected to the CSAD-run transportation. The question of an alternative utilization of enterprise-owned buses and their involvement in the transportation of working people [to and from work must also be speedily resolved, with the participation of ministerial branches and national committees.

In the present situation we deem the tasks that are connected with deepening the standard of living and its stability and gradual improvement to be of great importance. This involves wide-ranging problems, many of which confront the Ministry of Health and Social Affairs. From the viewpoint of the state of health of the population, but also from the viewpoint of polyclinics' and hospitals' endowment with materials and technology, the situation is critical. It is therefore essential that the minister of health and social affairs very responsibly reconsider the present situation and prepare an analytical basic document that will help eliminate the most acute shortcomings in the organization of medical services.

The premier described tasks in the sphere of social policy as particularly important. The extensive adjustment of social security, which reacts to the increased cost of living, objectively deepens differentiation among pensioners, between pensions allocated in the past and recently. At the same time it is necessary that social policy be viewed in a broader perspective, including in connection with the growing purchasing power of the population.

The premier then recalled the words of Comrade Jakes at the 10th Session of the CPCZ Central Committee: "As far as the governments are concerned, they are endowed with the due competence and authority which they must fully exercise. Governments must, above all, govern. This primarily means monitoring and organizing the fulfillment of the state plan, implementing needed structural changes, and establishing conditions for the application of the new economic mechanism. They must attend to the meeting of people's realistic needs and to regular and good supplies to the domestic market, which have also at this session been subjected to criticism."

In the government as a collective body, Comrade Ivan Knotek went on to say, everyone is assigned specific authority, but also responsibility. I consider it necessary that the basic condition for the government's successful operation—its unity of opinion and its political, organizational, and executive unity—be safeguarded through the active participation by every government member in the solution of key problems and by resolutions, once they are passed, becoming binding for each member of the government. This in no way weakens the personal responsibility of the constitutional official concerned—minister, deputy premier, or premier—for those parts that are delegated to him by the law. The strengthening of collective decisionmaking does not have anything in common with buck-passing and with the adoption of resolutions that are vague and not addressed to specific persons and that would weaken personal accountability.

The premier dealt specifically with the improvement of the planning process. He emphasized the role played by the Slovak Commission for Planning and Scientific-Technical Development in this process and its exceptionally responsible role in the conditions of the new economic mechanism. In this connection he stressed, among other things, that in order to meet the demands of society as a whole it would be necessary to tackle issues in concert with the Ministry of Finance, Prices, and Wages that intrinsically concern precisely the spheres that are connected with structural changes and with the provision of incentives for initiative and new entrepreneurial approaches through the use of instruments that would objectively guide enterprises toward efficient management.

Comrade Ivan Knotek dealt, furthermore, with the republican government's relationship with the federal government, particularly with federal ministries. The spheres of competence are clear and sharply defined, and we shall continue to meet tasks in their spirit.

However, what I consider decisive, he said in this connection, is that we must very responsibly seek ways of raising the efficiency of the Slovak economy, including those parts of its economy that are run by federal ministries, in order to substantially increase Slovakia's share in the generated national income.

In the spirit of the resolution of the CPCZ Central Committee, a more consistent and conceptual deepening of socialist democracy and, within its framework, the strengthening of the powers of national committees, especially at the basic level, is becoming increasingly urgent.

The solution of the needs of man, of the citizen, must stand in the foreground in this process. We are pleased with the fulfillment of tasks within the framework of the "Z" project [community self-improvement program], which deserves praise. But if people do not have enough water to drink, if those living on the ninth floor do not get even one drop of water out of their faucets during the hours of peak consumption, if warm water is available only three times a week, if shops are closed because of staff shortages, and if care for old-age pensioners or the solution of other problems is insensitive, these are problems that have their root in labor organization and that have nothing to do with either staff numbers or investment costs but, primarily, with human feelings and with responsibility for the solution of citizens' needs. These things are in the hands of functionaries of national committees.

The premier devoted great attention to the need for a comprehensive political and economic approach to the restructuring of the production and technical base. The first stage of restructuring is behind us and we should draw from it maximum lessons for shaping the organizational structures of the production, scientific-technical, and circulation bases in the subsequent stages. The premier further dealt with the delineation of the functions of ministries and with improving the quality of their cadres so that the standard and the effectiveness of the work of the ministries' apparatus are enhanced in spite of staff cuts.

What is crucial in this connection is a change in the style and forms of management. In the interest of a more effective involvement of our economy in the international division of labor, and also in the interest of an improved meeting of the needs of the national economy and the population, the decisive part of the ministries' activity must be focused on the preparation of long-term concepts for the development of individual branches and on development trends in the world. We will meet this task in close cooperation with the respective federal bodies and the bodies of the Czech SR Government.

In conclusion the premier of the Slovak SR expressed the conviction that the Slovak SR Government has all the prerequisites to successfully discharge its mission. There can be but one criterion of evaluation—a comprehensive fulfillment of the tasks which the party has assigned to us.

Inspector Bemoans Neglect of Nuclear Safety

AU2510195188 Prague TRIBUNA in Czech No 41, 12 Oct 88 p 3

[Interview with Jiri Beranek, chief inspector of the Czechoslovak Atomic Energy Commission, by Vlastimil Svoboda: "More Needs To Be Done for Nuclear Safety"; date and place not given]

[Excerpts] [Passage omitted] [Svoboda] Does the standard of the Czechoslovak nuclear power industry correspond to worldwide developments?

[Beranek] In every respect. The eight 440-megawatt units of the nuclear power plants in Jaslovske Bohunice and Dukovany supplied almost 26 percent of Czechoslovakia's total electricity production to the power grid last year. Their operation was reliable and stable and the use of their capacity ranged between 71 and 86 percent. We have made progress in implementing our nuclear program, whose overall investment costs will exceed Kcs180 billion. Its aim is not just the construction of another eight units in Mochovce and Temelin, but also the creation of the necessary preconditions for their safe operation.

[Svoboda] Although the overall results are favorable, even we have not been spared certain worries with the oldest nuclear power station, the V - 1 in Jaslovske Bohunice. Have any measures been planned to raise the safety and reliability of its operation?

[Beranek] We are thoroughly familiar with the condition of the production equipment, which we continually monitor. Our findings served as the basis for the relevant government resolution adopted 2 years ago. Now it is necessary to complete all preparatory undertakings as soon as possible and to determine the definitive course of action. We see a solution in the partial reconstruction of important technology nodes [technologicke uzly], in order to substantially raise the level of their maximum projected safety. At the same time it is necessary to devise and build a more thorough system for monitoring the quality of the material of those parts that are under pressure. We also consider it necessary to introduce a special operational regimen for this power station and to reduce its annual or, as the case may be, overall utilization. I stress that the decisions on the relevant measures must be made as soon as possible and that they must be immediately implemented because the equipment is ageing and the operational risk is invariably growing.

[Svoboda] What about the other Czechoslovak [nuclear] power stations? Are they comparable with the latest-generation reactors in the world?

[Beranek] They satisfy the standard demands on nuclear safety and do not require reconstruction. However, they will not be spared a continual modernization based on our own and foreign experience from the operation of nuclear power stations. It is necessary to gradually adjust the centers that are, or can be, the source of repeated malfunction. I am thinking, for example, of adjusting the steam generators' feeders, further improving diagnostics and fire protection, and of reducing the effect of corrosion. Special attention will have to be devoted to the electrical equipment and to measurement and regulation systems. The new type of an automatic control system that has been developed for the Mochovce nuclear power station will have to be introduced also at those units that are already in operation. [passage omitted]

[Svoboda] An important role in the process of the enhancement of safety and modernization of our nuclear power industry is played by the state surveillance agency. Are the government resolutions that were adopted in the last 2 years in support of your activity being implemented?

[Beranek] The mission of the state surveillance agency in this process is irreplaceable. It must be endowed with the latest technology and a sufficient number of specialists and it must have all other technical and organizational prerequisites to be able to check on a daily basis not only that the conditions for the safe operation of nuclear power stations are met; but also their construction, from the production stage up to the assembly of technological installations. For the time being, however, we have to overcome all sorts of obstacles; we work without the needed computer technology and attempts are being made to lower the standing of the surveillance agency and to complicate its work. [passage omitted]

[Svoboda] Could you give an example?

[Beranek] Not so long ago we had to spend several weeks explaining why the staff of the state surveillance agency could not be simply cut by one-third like the other central agencies but that, quite to the contrary, the team of inspectors would have to more than double by the end of the Eighth 5-Year Plan. [passage omitted]

[Svoboda] Are you suggesting that the warning finger of the threat of a nuclear accident should remain forever raised?

[Beranek] I think and hope that the events of Chernobyl are a sufficiently vigorous reminder that responsibility for nuclear safety must not be limited by state borders and tied down by departmental, enterprise, or even personal interests. All means available must be put to use to renew trust in nuclear power as a reliable and permanent source of energy.

[Svoboda] Which means, in particular?

[Beranek] It is necessary to join efforts to develop a comprehensively safe reactor, to take stock of the condition of the equipment that is in operation, and to modernize and, if need be, mercilessly put out of operation outdated types of equipment. It would be paradoxical if the development of the nuclear power industry, on which such enormous sums have been spent in the world and most of whose reactors achieve a high degree of operational safety and reliability, were to be negatively affected by accidents of outdated and half-forgotten reactors, whose capacity is only 30 to 40 percent used.

[Svoboda] Thank you for the interview.

Threats To 'Blow Up' Schools Received

AU2510144488 Prague RUDE PRAVO in Czech 22 Oct 88 p 2

["pg"-signed report in the "Black Chronicle" column]

[Text] An unknown man threatened to destroy an industrial school building in Prague on 20 October. Similarly, this week a further unidentified person in Libesice, in the Most district, threatened to "blow up" the building of the district political school.

Energy Exports Increasing Despite Lower Prices

AU2510155288 Prague RUDE PRAVO in Czech 20 Oct 88 p 4

[Interview with Jan Kratochvil, director of the foreign trade section at the Federal Ministry of Fuels and Power, by Pavel Paral: "Unplanned Growth of Exports"; date and place not given—opening paragraph is RUDE PRAVO introduction]

[Excerpts] The conclusions of the 17th CPCZ Congress pinpointed the task of gradually reducing exports not only of fuel-power commodities (coal, electricity, and so forth), but of raw materials in general. The approaching winter, the ongoing radical changes at the world energy markets, and the extensive debates about the Gabcikovo - Nagymaros hydroelectric power scheme are giving rise to a number of emotional, subjective, and often even unqualified ideas and views about exports and imports of energy resources. We spoke to Docent Engineer Jan Kratochvil, candidate of sciences, director of the foreign trade section at the Federal Ministry of Fuels and Power, about our export and import policies in the energy sector.

[Paral] What is the proportion of electricity exports and imports in our foreign trade, and what is their proportion in the export plan of the Federal Ministry of Fuels and Power?

[Kratochvil] The CSSR fuel-power complex has never been developed—not in the past and still less today—as a major electricity exporter, neither in relation to the socialist nor in relation to the nonsocialist territories. The plan for this year and for the remaining years of the Eighth 5-Year Plan, for example, provided for the [annual] export of only 120 gigawatt hours of electricity to nonsocialist countries. Aside from this, we export 300 gigawatt hours to Yugoslavia. On the other hand, up to the year 2005 we have guaranteed imports of a total of

5,800 gigawatt hours of electricity from the Soviet Union as a compensation for our part in the construction of the Khmelnitskaya nuclear power station in the Ukraine.

[Paral] It is known that we engage in long-term cooperation with Austria and Switzerland in the form of electricity exchanges. What motivates these exchanges and what quantities are involved?

[Kratochvil] In winter the Czechoslovak side supplies 100 megawatts of power-generating output to Austria, which the Austrian side pays back in the summer months with 150 megawatts. [passage omitted] This exchange is advantageous for both sides. While the Austrian side makes optimal use of the spare output of its hydroelectric power stations, these supplies allow us in the summer months to carry out general overhauls in steam power stations.

We carry out an analogous exchange of electricity with Switzerland as well. The 10-year agreement on seasonal summer-winter exchanges provides for the exchange of between 150 and 450 gigawatt hours. In 1988 we shall exchange 150 gigawatt hours in this way. [passage omitted]

[Paral] Although the planned exports of electricity to nonsocialist countries are low, actual exports will be many times higher. What is the reason for this deviation from original intentions?

[Kratochvil] It is true that this year net exports of electricity will amount to roughly 690 gigawatt hours, compared with the original target of 120 gigawatt hours. In the subsequent 2 years we foresee [annual] exports of around 700 gigawatt hours. This is made possible by the situation in solid fuel resources and by the spare capacity of our power-generating industry. By means of these active export measures, which we have projected into the plan for 1988-1990 in agreement with the State Planning Commission, we want to secure within the next 2 years some important cost-intensive imports from the hard currency area that were not included in the original concept of the Eighth 5-Year Plan. [passage omitted]

In the 1989-90 period, for example, we will import diagnostic equipment and radio relay communications to enhance the safety of the operation of the Czechoslovak nuclear power industry. [passage omitted]

[Paral] What are the future intentions with regard to electricity exports?

[Kratochvil] Exports of electricity, but also of coking coal, coke, and steam coal, will gradually decline. In addition to some weighty internal factors (reduction in the extraction of brown coal and in its burning in coal-fired power stations), there are some external reasons as well. [passage omitted] The nonsocialist market is greatly oversaturated with energy of every kind and the declining prices on the world market adversely influence the price of our exports. [passage omitted]

This means that we must very strictly compare the domestic production price with the price that we fetch for every exported kilowatt hour. So far we have not had to resort to price interventions in electricity exports and we will not have to do so in 1989 either.

In a few days, a decision should be made about increased exports to Italy and later this year we will export 100 gigawatt hours to the FRG. No additional electricity exports are being planned for the time being. [passage omitted]

Talks Held With U.S. on Developing Trade

AU2510192788 Prague RUDE PRAVO in Czech 22 Oct 88 p 1

["py"-signed report: "On the Development of Czechoslovak-U.S. Trade"]

[Text] Washington (Our correspondent)— The ninth session of the Czechoslovak-U.S. Economic Council began in the U.S. city of St. Louis on Thursday [20 October], with Miroslav Houstecky, Czechoslovak ambassador to the United States, in attendance. At the session representatives of the two countries' trade and industrial circles are discussing the possibility of expanding economic cooperation between the CSSR and the United States, especially as regards the development of relations in the sphere of science and technology. The participants in the session are also assessing ways and principles for establishing mixed enterprises of the two countries' companies.

Last year, the turnover of foreign trade between Czechoslovakia and the United States amounted to only $140 million, which only makes the United States Czechoslovakia's 12th trading partner from among the leading capitalist states. Some of the main obstacles to the growth of bilateral trade are, above all, the numerous discriminatory customs and other measures by which the United States curbs the imports of Czechoslovak goods, and also the shortage of top-of-the-line and high quality Czechoslovak industrial products which could compete on the U.S. market.

Czech SR Plans To Import ROK Autos

AU3110075488 Prague RUDE PRAVO in Czech 27 Oct 88 p 2

[Igor Sirota report: "Government of Czech SR Convened; Total of 5,911 Suggestions for Improving the Educational and Upbringing System; Ministers' Personal Responsibility for Task Accomplishment on the Domestic Market Must Be Defined"]

[Excerpts] Prague— The first item on the agenda of the Wednesday [26 October] meeting of the Government of the Czech SR was a summary report on the analysis of

Czechoslovakia's educational and upbringing system. The fact that party and state agencies, schools, teachers, and citizens have sent the Ministry of Education, Youth, and Physical Culture a total of 5,911 suggestions on this matter is a comment in itself. [passage omitted]

Josef Rab, minister of trade and tourism, was instructed to have the report on the accomplishment of tasks to stabilize the domestic market in 1988 - 90 worked out in specific detail, so that it would define the personal responsibility of individual ministers for the accomplishment of the tasks. The fact is that the situation in deliveries to the domestic market has not radically changed despite a number of measures adopted for this purpose.

Minister Josef Rab assured those present that the deliveries of roughly 15 kinds of goods that are in short supply will be satisfactorily resolved in the course of the next 6-9 months. This year the main emphasis will be on improving the deliveries of sanitary supplies. In the first half of 1989, consumer electronics, textile goods, and 3,000 passenger cars from South Korea will appear on our market.

Apart from immediate solutions, the government also discussed measures to improve the market in the coming years.

Comrade Frantisek Pitra concluded the discussion by saying that, not only must the public be told (the latest date) when specific goods will appear on the market and who is responsible for this—the citizens must also be told what cannot be resolved immediately, and will need time. [passage omitted]

First CSSR-EEC Accord Initialed

AU2510120088 Prague RUDE PRAVO in Czech
21 Oct 88 p 7

[CTK report: "First Contractual Arrangement; CSSR and EEC Initial Trade Agreement on Industrial Goods; Prospect of Further Contacts"]

[Text] Brussels—We have already informed our readers that Czechoslovakia and the EEC initialled a trade agreement on industrial goods in Brussels on Wednesday [19 Oct]. This is the first commercial-political contractual arrangement which will enable the two sides to substantially develop their trade and economic cooperation.

So far the CSSR and EEC have negotiated only agreements on exports of Czechoslovak rolled materials, textiles, and mutton. They have agreed that the new agreement (of a non-preferential type) should be valid 4 years; its main feature is the principle of nondiscrimination based on a mutual commitment of both sides in accordance with GATT.

In the agreement the EEC undertakes to grant the highest possible degree of liberalization to the exports of Czechoslovak industrial products (including raw materials and semi-finished goods) to EEC countries. These products account for more than 70 percent of all Czechoslovak exports to these countries. The existing restrictions should be gradually eliminated, or else suspended.

In the agreement Czechoslovakia undertakes to establish favorable conditions for the operations of enterprises and firms of the West European communities on the Czechoslovak market. The agreement also contains a so-called escalation clause, on the basis of which the two sides can also expand their cooperation to other spheres; the clause envisages the possibility of a broad contractual arrangement on cooperation in the trade, industrial, and possibly even scientific-technical spheres at a later date.

The two sides are expected to sign the initialed agreement in the CSSR by the end of this year.

Economic Protocol Signed With FRG

LD2510191088 Prague CTK in English
1758 GMT 25 Oct 88

[Text] Bonn Oct 25 (CTK correspondent)—The 12th session of the Czechoslovak-West German Mixed Commission for Economic, Industrial and Technological Cooperation ended here today with the signing of a final protocol.

The document was signed by Czechoslovak Foreign Trade Minister Jan Sterba and West German Minister of Economics Martin Bangemann.

The two delegations (?during) their talks appreciated the positive development of mutual trade which has substantially intensified in the past two years. They stressed that the possibilities of the further extension of economic cooperation should be seen in cooperation in production and joint ventures. Mutually advantageous projects exist particularly in pharmacy, engineering, and production of consumer goods and health care material.

The protocol pays great attention to joint effort to extend cooperation in environmental protection and in services including banking and tourism.

Jan Sterba met here today with Wolfgang Schaeuble, head of the Chancellery.

Railroad Construction Plan Signed With USSR

LD2610113888 Prague International Service in Czech
2230 GMT 25 Oct 88

[Text] Succesful implementation of the CSSR-USSR intergovernmental contract on expanded technical assistance with the construction of the Prague Metro was noted in Prague today by representatives of the two countries for the control of this contract's implementation.They also signed a protocol on Soviet assistance with the construction of an elevated railroad [rycholdraha] in Bratislava.

Trade With Austria, Economic Development Noted

AU2710095988 Vienna KURIER in German
27 Oct 88 p 7

[Table attributed to "Girozentrale, Economic Research Institute": "Annual Development of the CSSR Economy"; and unattributed table "Austrian Foreign Trade With the CSSR"]

[Text] Annual Development of the CSSR Economy [table heading]

Source: Girozentrale, Economic Research Institute

	1985	1986	1987	1988 forecast
Changes compared with the previous year in percent				
Gross national product	plus 3.1	plus 2.8	plus 2.0	plus 2.7
Industrial production	plus 3.5	plus 3.1	plus 2.3	plus 2.3
Agricultural production	minus 1.6	plus 0.6	plus 0.9	plus 1.3
Investments	plus 5.4	plus 1.4	plus 3.7	minus 2.6
Private consumption	plus 1.8	plus 2.3	plus 2.2	plus 1.7
Consumer prices	plus 2.3	plus 0.5	plus 0.1	plus/minus 0.0
Real income increase	minus 0.6	plus 1.1	plus 2.0	plus/minus 0.0
Foreign trade:				
Exports	plus 4.9	plus 1.6	plus 3.4	plus 4.1
Imports	plus 5.8	plus 4.3	plus 1.4	plus 1.0
Balance of goods and services (in billions of dollars)	plus 0.5	plus 0.23	minus 0.21	minus 0.42
Net debts (in billions of dollars)	1.61	1.90	2.60	[no fourth figure as published]

Austrian Foreign Trade With the CSSR [table heading]

	Austrian exports (in millions of schillings)	Changes in percent	Austrian imports (in millions of schillings)	Changes in percent
1985	3,888	plus 11.1	8,329	plus 5.9
1986	3,993	plus 2.7	6,541	minus 21.5
1987	3,936	minus 1.4	5,918	minus 9.5

Janak Receives BCP Official Grisha Filipov

AU2510155188 Prague RUDE PRAVO in Czech
21 Oct 88 p 2

[CTK report: "Comradely Meeting"]

[Text] Bratislava—Ignac Janak, CPCZ Central Committee Presidium member and first secretary of the Slovak Communist Party (CPSL) Central Committee, received Grisha Filipov, BCP Politburo member and Central Committee secretary currently on a working visit in the CSSR, in Bratislava on Thursday [20 October].

The reception was attended by Miloslav Hruskovic, candidate member of the CPCZ Central Committee Presidium and CPSL Central Committee secretary, and by Frantisek Hanus, CPCZ Central Committee secretary. Toncho Chakarov, ambassador of the People's Republic of Bulgaria in the CSSR, was also present on the occasion.

On the same day Grisha Filipov visited the AGROFRIGOR Joint Agricultural Enterprise in Dunajska Streda; during his tour of the enterprise he showed interest in its vegetable economy, particularly in its use of geothermal waters used for heating 3 hectares of hothouses and plastic cold frames.

Jakes Receives Frelimo Official

LD2410171888 Prague CTK in English
1535 GMT 24 Oct 88

[Text] Prague Oct 24 (CTK)—Czechoslovak Communist Party General Secretary Milos Jakes received here today member of the Mozambican Liberation Front (Frelimo) Political Bureau and chairman of the People's Assembly Marcelino dos Santos, currently in Czechoslovakia at the invitation of the party Central Committee.

The Mozambican representative informed Milos Jakes of Frelimo's preparations for its fifth congress which is to take place next year.

Milos Jakes assured the guest of the principal solidarity of the Czechoslovak Communist Party and people for the brave struggle of the peoples of Mozambique and the south of Africa for national and social liberation and the establishment of a just peace in all southern Africa. He also informed the Mozambican representative of the main lines and targets of the Czechoslovak Communist Party's policy in the present period and of the results of the 10th session of the party Central Committee.

Janik-Led Delegation Departs on African Tour

AU2510131888 Prague RUDE PRAVO in Czech 21 Oct 88 p 1

[CTK report: "CSSR Delegation Departs by Air to Africa"]

[Text] Prague—A CSSR Federal Assembly delegation, led by Jan Janik, deputy chairman of the CSSR Federal Assembly (FS) and chairman of the Chamber of Nations, departed from Prague on Thursday [20 October] for an official visit to the People's Republic of Mozambique, the People's Republic of Angola, the Republic of Guinea-Bissau, and the People's Democratic Republic of Ethiopia.

At Ruzyne Airport the delegation was seen off by Jan Marko, first deputy chairman of the CSSR FS, and Vladimir Vedra, deputy chairman of the CSSR FS and chairman of the Chamber of the People.

Labor Minister Boda Meets With PRC Counterpart

AU2710134688 Prague RUDE PRAVO in Czech 25 Oct 88 p 2

[Unattributed report in the "International Contacts" column]

[Text] The delegation of the PRC Ministry of Labor, led by Vice Minister Yan Zhongqin, was received in Prague on Monday [24 October] by Miloslav Boda, CSSR minister of labor and social affairs. The delegation is studying the CSSR's wages policy, focusing on the tasks of this policy in the period of restructuring the country's economic mechanism.

Bilak Receives UK Foreign Relations MP's

LD2610162488 Prague CTK in English 1457 GMT 26 Oct 88

[Text] Prague Oct 26 (CTK)—Presidium member and secretary of the Czechoslovak Communist Party Central Committee Vasil Bilak received here Wednesday [26 Oct] a group of MP's of the British House of Commons' Foreign Relations Committee, led by its chairman David Howell.

Vasil Bilak pointed to the possibilities of developing Czechoslovak-British cooperation which are worth using. The Czechoslovak side is ready to consider Czechoslovak-British relations on the principles of equality and noninterference in the internal affairs of each side.

Human Rights Activists Arrested, Released

Werner Fischer Arrested

LD2810162488 Hamburg DPA in German
1458 GMT 28 Oct 88

[Excerpts] Berlin (DPA)—GDR human rights activist Werner Fischer has apparently been arrested in East Berlin today. Fischer was arrested in connection with the Liebknecht-Luxembourg demonstration in January this year and later left the country. He has been back in the GDR since August. Sources in West Berlin reported that Fischer was dragged into a car from the street and taken away at midday today.

Fischer, who is a member of the "Peace and Human Rights Initiative," studied for 6 months in London after leaving the GDR. With the help of the Protestant Church of Berlin-Brandenburg he returned to the GDR via a third country after 6 months. [passage omitted]

Wolfgang Wolf Detained

LD2810211288 Hamburg DPA in German
1627 GMT 28 Oct 88

[Excerpt] East Berlin (DPA)—The GDR authorities arrested two civil rights campaigners on Friday in East Berlin. According to informed circles they are Werner Fischer, who belongs to the "Peace and Human Rights" Initiative, and Wolfgang Wolf, who works in the "Friedrichsfelde Peace Circle." Fischer was dragged at midday into a car in the middle of the street "to clear up a matter" and was driven away. Wolf was detained in his apartment. On Thursday evening painter Baerbel Bohley was "advised" by members of the security authorities and had been asked, without further explanation, not to transgress public order and security.

Informed circles link the detentions of members of grassroots and civil rights groups with the action of the authorities against students from the East Berlin Carl-von-Ossietzky High School, who questioned, inter alia, the sense of holding military parades on the GDR's National day in an article for the wall newspaper of their school. Four students were expelled from the school for this; several others were warned. It was also said that the security authorities had shown themselves to be very concerned on account of the reaction to these incidents. [passage omitted]

Civil Rights Campaigners Released

LD2910114688 Hamburg DPA in German
1040 GMT 29 Oct 88

[Excerpts] Berlin (DPA)—Five GDR civil rights campaigners and members of independent peace groups arrested in East Berlin on Friday have been released. They were freed about midnight. Informed circles in West Berlin added today that they include Werner Fischer of the "Peace and Human Rights Initiative," and Wolfgang Wolf, who works for the "Friedrichsfelde Peace Circle."

The arrests appeared to be in connection with a solidarity campaign for four pupils of an East Berlin secondary school who had questioned the meaning of military parades on GDR National Day in an article for their wall newspaper. They had been expelled from the school for this and several others were given a warning. [passage omitted]

According to reports in West Berlin, a number of GDR citizens who are campaigning for the four pupils have been shadowed by employees of the state security service "on a particularly massive scale" over the past few days. According to these reports, artist Baerbel Bohley, who left the GDR together with Fischer and who was subsequently allowed to return, was visited on Thursday evening by State Security employees and advised not to disturb public order and security.

Church Papers Vow to Address Political Issues

AU2710193388 Munich SUEDDEUTSCHE ZEITUNG in German 26 Oct 88 p 7

[DPA/EPD report: "Press Not To Yield to Pressure"]

[Excerpt] Berlin—The five evangelical weeklies in the GDR, which have repeatedly been censored by state authorities over the past few months, are to continue to deal with social and political questions, according to their publishers and editors in chief. They share the same view that these papers cannot stop discussing topics on which the church voices an opinion in its synods, stated Gerhard Thomas, editor in chief of the East Berlin weekly DIE KIRCHE, at a meeting attended by more than 300 readers of his newspaper. He said that a "first small signal" was the fact that the publication of the five newspapers, which carried reports on the Ecumenical Meeting in Magdeburg, went ahead unimpeded last week. Only the printing of the MECKLENBURGISCHE KIRCHENZEITUNG was interrupted, however, for a different reason, and it was then published unchanged. [passage omitted]

East Berlin Superintendent on Church's Role

LD2910161688 Hamburg DPA in German
1332 GMT 29 Oct 88

[Text] Dortmund (DPA)—In the view of the general-superintendent of East Berlin, Guenter Krusche, interference by the church in politics is unavoidable in the GDR. The church should not however presume to be a political force, Krusche said in Dortmund on Saturday at the Westphalian ecumenical meeting. The spiritual element in community welfare work must be paramount. Political action must be derived from fundamental theological positions.

Krusche said that words such as "glasnost" and "perestroyka" awaken hope among many people in the GDR. "In this respect it is often problematical for the Evangelical Church to mediate between society and groups of strong critics." Krusche spoke in favor of replacing the system of deterrence with a "system of joint security." He also stressed the churches' importance in the dialogue between the two German states. Intra-German dialogue is easier for the GDR church than for the country's state authorities, said Krusche.

Honecker Receives Mormon Church Leader

LD2810231088 East Berlin ADN International Service in German 1213 GMT 28 Oct 88

[Excerpts] Berlin, (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR's Council of State, received on Friday Thomas S. Monson, of the United States, president of the Church of Jesus Christ of Latter Day Saints, as well as other domestic and foreign representatives of this church. The meeting at the official seat of the State Council proceeded in a trusting, cordial, and constructive atmosphere.

The two sides concurred in noting that in the present-day there is nothing more important than to preserve peace and avert the danger of a nuclear war from mankind. The path to nuclear disarmament taken by the world powers opened up fresh perspectives and offered the opportunity for lasting peace, international understanding, and peaceful cooperation. It was now important to continue and extend the process of detente and military disarmament already embarked upon.

The chairman of the GDR State Council stressed that in many fundamental goals, common ground exists which has led to trusting, consolidating cooperation while preserving the separation of church and state. This would continue to be the case in the future. This was particularly reflected in the diligent work for strengthening the homeland, the development of young people, and the happiness of families. Socialism was being developed by, needed by, and was good for everyone. The GDR was being developed with the contribution of religious people in everyday conscientious labor. Since in socialism everything that served the welfare of the people is being implemented, it is also in line with Christian goals and values.

The GDR's church policy was emphasized and continued at the meeting of 6 March 1978. It took its chance with trust and it deserved trust. The GDR, said Erich Honecker, is the homeland of all its citizens. There is no alternative to it. It places itself in the service of peace and humanism. Here the contribution of religious people is just as desirable as the contribution of those who do not belong to these communities. In this connection Erich Honecker stressed the promotion of young Mormons. He noted with satisfaction that in its nearly 40 years of history, the GDR had remained true to the principle of equality of all churches and religious communities before the law. It would continue to remain true to it in the future because socialism serves the people.

President Thomas S. Monson thanked the chairman of the GDR State Council for his tireless work for international understanding and cooperation. He pointed out that the preservation of the environment and improvement of the coexistence of the people and nations can be seen as a joint concern of church and state. This required drawing more closely together, even if agreement did not exist on all questions. Proceeding from his experiences in numerous countries of the world, Thomas S. Monson pointed out that the good, trusting cooperation between church and state authorities which was practiced in the GDR was not self- evident everywhere. Rather, it was thanks to a balanced state church policy and the striving to see and build on joint interests.

Henry Burkhardt, president of the Church of Jesus Christ of Latter Day Saints in the GDR, praised the good and trusting cooperation with the GDR state organs. The results of the church policy had a positive effect on the everyday life of the individual believer, too. He described as particularly important the equality of all religious persuasions as the declared and practiced principle of state policy in church questions, which, irrespective of size or denominational peculiarity, gave all churches in the GDR the possibility to act in accordance with their religious principles. [passage omitted]

The talk was attended by Werner Jarowinsky, Politburo member and secretary of the SED Central Committee; Heinz Eichler, secretary of the GDR State Council; State Secretary Frank-Joachim Herrmann, head of the chancellery of the chairman of the State Council; Kurt Loeffler, state secretary for church affairs; and Guenter Behnke, departmental head in the State Secretariat for Church Affairs. Also present on the church's side were: Russel M. Nelson and Hans B. Ringger, Henry Burkhardt, president of the Church of Jesus Christ of Latter Day Saints in the GDR, Frank Apel of Freiberg, and Manfred Schuetze of Leipzig, as well as Manfred Heller, head of the church's regional office.

Soviet Official Briefs Honecker on Kohl Visit

LD3010124688 East Berlin ADN International Service in German 1206 GMT 30 Oct 88

(Text) Berlin (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, today received for talks Aleksandr Pavlovich Bondarenko, chief of the USSR Foreign Ministry's Third European Department and representative of the CPSU Central Committee general secretary and chairman of the USSR Supreme Soviet Presidium.

Aleksandr Bondarenko reported on the course and results of the visit to the USSR by FRG Federal Chancellor Helmut Kohl. The USSR party and state leadership assess the visit, in particular the talks between

Mikhail Gorbachev and Helmut Kohl, as an important event in relations between the USSR and FRG and in East-West relations. The visit imparted important impulses to cooperation between the USSR and FRG. This serves the improvement of the situation in Europe, which is in the interest of all the peoples on the continent.

Erich Honecker said that the results of negotiations in Moscow are significant for peace and detente in Europe. He expressed his appreciation of the great work performed during the visit by the Soviet leadership, wholly in the spirit of the common positions of the socialist countries. The results of the meeting are identical with the concern of the GDR's policy.

The GDR and USSR are continuing to work in the international arena, together with their allies in the Warsaw Pact uncompromisingly toward creating a world without nuclear weapons, war, and force. The GDR, as before, will also continue to make use of all its opportunities so that, through dialogue and cooperation, a policy of peaceful coexistence between states of differing social orders will gain in strength and the incipient disarmament process will be continued and deepened through new agreements, including a breakthrough in the drastic reduction of armed forces and conventional armaments from the Atlantic to the Urals.

Erich Honecker asked that best greetings from the communists and the people of the GDR be conveyed to Mikhail Gorbachev.

The talk was attended by Vyacheslav Kochemasov, USSR ambassador extraordinary and plenipotentiary to the GDR.

Austrian Daily Pans Honecker-Bronfman Meeting

AU2410125188 Vienna NEUE KRONEN-ZEITUNG in German 22 Oct 88 p 2

[Kurt Seinitz commentary: "Honecker's Kowtow to E. Bronfman"]

[Text] GDR chief and Berlin Wall architect Erich Honecker (still ostracized in international politics) passionately desires to be invited on a state visit to the United States. In order to achieve this lifetime goal, he is willing to swallow toads.

Edgar Bronfman, conceited whiskey king and president of the World Jewish Congress (and a former playboy of the gutter press), passionately desires to enter history as an international politician.

You scratch my back and I will scratch yours. This week Bronfman paid a ludicrous "state visit" to the GDR: He made giant headlines in East Berlin's press; Honecker awarded him the highest communist order; Bronfman voiced the highest praise for the cultivation of the Jewish heritage in the GDR; unending flash-bulb photographs were taken during the visits to hastily done up "Potemkin villages" (prayer houses, cemeteries, memorial exhibitions); Honecker publicly recanted the previous anti-Israel policy; and finally agreed to $100 million as a first compensation payment from the GDR—43 years after the end of the war!

The two gentlemen know what they owe each other, and Edgar Bronfman paid back in political coin: He will recommend to the U.S. State Department that it invite Honecker to the United States, the president of the "private association" World Jewish Congress said at the end of his visit.

Edgar Bronfman is a powerful man: He can open doors and he can close them.

Kleiber Heads SED Delegation to Mozambique

Arrives 24 Oct

LD2410162688 East Berlin ADN International Service in German 1249 GMT 24 Oct 88

[Text] Maputo (ADN)—An SED delegation headed by Guenther Kleiber, member of the SED Central Committee Politburo and deputy chairman of the GDR Council of Ministers, Monday arrived in the People's Republic of Mozambique. The guests were cordially welcomed at the capital's Mavalane Airport by Jacinto Soares Veloso, member of the Frelimo [Mozambique Liberation Front] Party Central Committee Politburo and cooperation minister.

Kleiber told newsmen that in view of the dynamic and speedy development in international relations, the SED and GDR attach particularly great importance to the steady exchange of views with the leading representatives of the Frelimo Party and the People's Republic of Mozambique. The visit is taking place at a time when after years of confrontation and the arms race a change for the better is emerging on earth. The trend toward an improvement in international development, the defusing and even elimination of areas of conflicts in various regions was becoming more pronounced. Peace and disarmament alone were the keys for solving all existing global problems.

On the same day, the SED delegation met Prime Minister Mario da Graca Machungo, member of the Politburo and secretary of the Frelimo Party Central Committee. Both politicians stressed the growing significance of the exchange of experiences and paid tribute to the state of cooperation achieved between the two parties. Kleiber assured the Frelimo Party and the People's Republic of Mozambique of the GDR'S support in their struggle for peace and stability.

Begins Talks With Frelimo

LD2510152888 East Berlin ADN International Service in German 1350 GMT 25 Oct 88

[Text] Maputo (ADN)—Official talks began today in Maputo between a delegation of the Socialist Unity Party of Germany [SED] Central Committee led by Guenter Kleiber, member of the Politburo and deputy chairman of the GDR Council of Ministers, and a delegation of the Frelimo Central Committee led by Jorge Rebelo, member of the Political Bureau and secretary of the Frelimo Central Committee.

During the exchange of views and experiences Jorge Rebelo paid tribute to the visit of the SED delegation as new proof of the solidarity with Frelimo and the people of the People's Republic of Mozambique. Mozambique has always been able to count on the reliable support of the GDR.

Guenther Kleiber expressed his high esteem for the successes achieved by the Mozambique people under the leadership of Frelimo. He expressed the certainty that this visit will also contribute to the strengthening and further expansion of the traditional relations between the SED and Frelimo.

During the morning the delegation laid wreath on behalf of the SED Central Committee at the Place of Heroes of Mozambique and honored with 1 minute's silence the patriots who fell in the struggle for the independence of the people of Mozambique and also in defending its independence. A visit to the school of the people's police of Mozambique and to the Laulane residential area in Maputo, which was built with GDR support, were part of this afternoon's program.

Kleiber, Chipande Meet

LD2810234688 East Berlin ADN International Service in German 1838 GMT 28 Oct 88

[Text] Maputo (ADN)—The most important objective of the Frelimo party and the Mozambique Government is peaceful development in the country and in the whole region. Therefore, Mozambique supports the efforts to peacefully resolve all conflicts in the world by way of negotiations. This was stated by Defense Minister Army General Alberto Joaquim Chipande, member of the Politburo of the Frelimo Party Central Committee, in Maputo on Friday during a conversation with Guenther Kleiber GDR vice premier and SED Politburo member.

Kleiber conveyed a personal message from Erich Honecker to Joaquim Chissano, the Frelimo Party, and the People's Republic of Mozambique.

During his visit this year he had been able to see for himself, Kleiber said, that great efforts are being undertaken in Mozambique to overcome the country's economic problems. The initial successes of this policy were visible to the guests from the GDR. The complicated situation in Mozambique had visibly improved since his last visit in March 1987.

The SED Central Committee delegation headed by Guenther Kleiber this morning continued an exchange of views and experiences with members of the Politburo and Secretariat of the Frelimo Party Central Committee. The official talks ended wih the signing of an agreement on cooperation between the two parties next year.

Cooperation Agreement With Mozambique Signed

LD2810234088 East Berlin ADN International Service in German 1722 GMT 28 Oct 88

[Text] Maputo (ADN)—A meeting of the chairmen of the GDR-Mozambique Joint Economic Committee ended in Maputo on Friday with the signing of an agreement. Dr Kurt Singhuber, GDR minister for ore mining, metallurgy, and potash, and Aguiar Real Mazula, Mozambican minister of labor, praised the close bilateral relations, which are developing on the basis of the treaty on Friendship and Cooperation of 24 February 1979. During the 5-day discussions, economic cooperation guidelines were discussed, which included guidelines for the coalmining sector and for industrial cooperation.

During his visit to Mozambique the GDR politician also had meetings with Graca Machel, member of the Frelimo Party Central Committee, minister of education, and Joao Kachamila, minister of mineral resources. The GDR delegation conducted talks in Moatize [Tete Province] with the general management of the Carbomoc state coal mining enterprise, where for over 10 years GDR miners have been working side by side with Mozambican miners.

Fischer Meets French Foreign Ministry Official

LD2110091788 East Berlin ADN International Service in German 1629 GMT 20 Oct 88

[Text] Berlin (ADN)—On Thursday [20 Oct] GDR Foreign Minister Oskar Fischer received Benoit d'Aboville, deputy director of the Office for Political Affairs of the French Foreign Ministry, for a talk.

Oskar Fischer and Benoit d'Aboville expressed their satisfaction at the new stage in bilateral relations which was introduced with the state visit of Erich Honecker to the French Republic. The consultations on questions of disarmament and European security, for which the French politician is staying in Berlin, were evidence for advances in deepening political dialogue between the GDR and France, which should be developed continuously at all levels.

Oskar Fischer stressed the possibilities arising from the realization of the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles and from deepening East-West dialogue, which should be used in order to overcome military confrontation. The consistent continuation of the disarmament process, while having regard for the legitimate security interests of the other side and the principles of equality and mutuality, is the only possible guarantee for a change toward lasting detente.

Oskar Fischer explained the Warsaw Pact's disarmament program, which embraces all types of weapons and strict controls. The three-stage plan on conventional disarmament adopted at the most recent meeting of the Political Consultative Committee in Warsaw demonstrated a path Europe could follow, while linking with NATO positions. Benoit d'Aboville explained the priorities in France's disarmament policy.

The partners in the talks noted converging positions on both states, for example with regard to a 50-percent reduction in strategic weapons by the USSR and the United States while adhering to the ABM Treaty, the global banning of chemical weapons, and the imminent successful conclusion of the Vienna CSCE follow-up meeting. They agreed that a conference in Paris proposed by the president of France, Francois Mitterand would contribute to the banning of chemical weapons. Both sides spoke in support of continuing regular consultations.

Taking part in the talk were Deputy Foreign Minister Ernst Krabatsch, at whose invitation Benoit d'Aboville is staying in Berlin for consultations, and Joelle Timsit, the ambassador of France in the GDR.

Boehme, Delegation Visit French Communists

AU2410152588 East Berlin NEUES DEUTSCHLAND in German 20 Oct 88 p 5

[Text] Lille (ND)—A delegation headed by Hans-Joachim Boehme, member of the SED Central Committee Politburo and first secretary of the Halle Bezirk leadership, was welcomed for a several-day visit to the French Department Nord in Lille on Wednesday [19 October]. The delegation's visit is in response to an invitation by the Northern Federation of the French Communist Party [PCF], with which the Halle Bezirk SED Organization has maintained friendly relations for 20 years. During talks and visits to industrial and commercial enterprises and hospitals, the guests want to become familiar with the PCF's party work.

FRG, GDR Peasant Groups Sign Agreement

AU2410153188 East Berlin NEUES DEUTSCHLAND in German 20 Oct 88 p 5

[Text] Bonn (ADN)—An agreement on developing relations between the GDR Peasant Mutual Aid Association (VdgB) and the FRG Farmers Association (DBV) was signed in Bonn on Wednesday [19 October]. After constructive negotiations, Fritz Dallmann, chairman of the VdgB Central Executive Committee and member of the GDR State Council, and DBV President Constantin Freiherr Heeremann signed the document.

The VdgB Central Executive Committee proceeds on the assumption that this new step in shaping relations is of great importance for an ever greater commitment to peace on the part of the peasants of the two German states and for the two organizations' consistent support of peace and disarmament and a climate of peace and trust in Europe, Fritz Dallmann said. DBV President Heeremann paid tribute to the stimuli that had resulted from Erich Honecker's visit to the FRG, for the deepening of contacts and the exchange of opinions between the VdgB and DBV. The consistent cooperation between the two organizations continues to make an active contribution to peace and understanding, and to normal good-neighborly relations between the GDR and the FRG, Heeremann underlined.

The agreement between the VdgB and the DBV provides for the continuation of the regular political dialogue between the leaderships of the two organizations. There are plans to exchange study delegations and lecturers, and joint seminars are to be organized.

Fritz Dallmann, chairman of the VdgB Central Committee, invited a DBV delegation to participate in the Eighth VdgB Central Delegates Conference, and DBV President Heereman invited a VdgB delegation to the 1989 Farmers Day. Both invitations were accepted with thanks.

Environmentalists Demonstrate Against Barrage

LD3010195088 Budapest Domestic Service in Hungarian 1730 GMT 30 Oct 88

[Text] This afternoon, in front of the Budapest Technical University, certain environmental groups repeatedly protested against the construction of the Bos-Nagymaros water barrage. Under the organization of the so-called Nagymaros Committee, the Danube circle, and several other unofficial organizations, more than 1,000 people protested against the continuation of the construction of the hydroelectric power station.

As our correspondent reported, the speakers at the peaceful action expressed varying views. The Nature Protection Club of the Eotvos Lorand University does not want the old Danube to be closed off until the filter channel systems are completely developed and placed into operation, that every spring the dead channels be rinsed out, that the Bos power station not be operated at peak level, and that trees native to the district be planted in the area.

In the opinion the of the Nagymaros Committee, the National Assembly decision did not faithfully reflect the will of the population. For this reason, it gave out sheets of paper for collecting signatures, demanding the calling of a referendum. [Budapest Domestic Service in Hungarian at 2300 GMT on 30 October carries a similar report on the demonstration against the Bos-Nagymaros dam project which adds the following: "There were also calls at the protest for the Presidential Council to dissolve the National Assembly and hold elections."]

Further Report

LD3010231988 Budapest MTI in English 2037 GMT 30 Oct 88

[Text] Budapest, October 30 (MTI)—On the occasion of the world Environmental Day, some groups and organizations of environmentalists held a rally in front of the Danube-Side technical Univeristy of Budapest on Sunday.

The contributors to the rally demanded to protect the Danube, stop construction works at Nagymaros, and hold a referendum on the water barrage. Criticizing the decisions of the government and Parliament, they stressed that the landscape belonging to the National Treasure should not be sacrificed for the sake of an economic concept.

At the meeting, attended by some 1,500 people, petition signatures were collected for holding a 'referendum under social control' on the Nagymaros Water Barrage. [Budapest Domestic Service in Hungarian at 2100 GMT on 30 October carries a report on the rally and adds: "In the evening, a torchlight protest procession was held. Five thousand people marched from Margaret Bridge to the Petofi statue. In Pecs, 200 people, mainly young people, gathered in Szechenyi Square demanding a referendum."]

'56 Uprising Body Announces 4 Nov Demonstration

LD2910135788 Budapest Domestic Service in Hungarian 2000 GMT 28 Oct 88

[Text] A demonstration has been announced for 4 November by those who participated in the defeat of the 1956 uprising. The '56 Group of the Federation of Hungarian Resistance Fighters and Antifascists, established at their meeting today that in public debates hostile views are uttered, too, and for this reason it calls on its members to participate in the formation of groups and organizations. According to the statement issued at the meeting, the aim of the 4 November demonstration will be to pledge an oath to socialism.

Pozsgay Greets Newly Founded 'Openness Club'

LD3010020888 Budapest MTI in English 1921 GMT 29 Oct 88

[Text] Budapest, October 29 (MTI)—The Openness Club National Association, founded in Budapest on Saturday, set the aims to renew the institutions of openness, and promote the enforcement of the freedoms of speech and of the press.

The participants in the founding session held at the Karl Marx University of Economics, including staff members of the written and the electronic press, social scientists, and writers, discussed and approved the draft rules of the association and a letter of foundation containing the chief goals. The letter stresses that the club will struggle for enforcing the rights of expression, criticism, and putting forward and popularizing alternative conceptions and programmes in all fields of social life, and for asserting the freedom of debates.

Minister of State Imre Pozsgay, who undertook supervision over the Openness Club National Association, addressed a letter of greetings to the participants which was read out at the founding session.

The association elected a 9-member board.

MTI Previews 1 Nov Central Committee Meeting

LD2810201888 Budapest MTI in English 1755 GMT 28 Oct 88

[Text] Budapest, October 28 (MTI)—The session of the Central Committee of the Hungarian Socialist Workers' Party has been convened for November 1. On the proposal of the Political Committee, the body will discuss the report of Janos Berecz, secretary of the Central Committee, on the domestic political situation and the tasks facing the party. The report will sum up the major trends of the period following the party conference, and analyze political relations and the situation of the party.

Proposals will be made on the trends of action that may contribute to slowing down or halting the unfavourable processes, and enable the party to strengthen its action readiness.

As the second point on the agenda of the presumably two-day session Janos Hoos, president of the National Planning Office, will submit his report on the possible national economic development in 1988, and the main characteristics and system of means of the 1989/90 economic policy. Preliminary calculations show that most of the qualitative targets of the 1988 plan will be realized.

Among the main trends in economic policy envisaged for next year the report will again take account of the advantages and disadvantages of the two economic policy variants and will propose the 'A' option for acceptance. This variant puts the country on a new path, and triggers a profound transformation.

Police Move Against Prague Demonstration Noted

LD2810203988 Budapest Domestic Service
in Hungarian 1730 GMT 28 Oct 88

[Text] [Presenter] Here is a situation report by Evelin Forro in Prague:

[Forro] In spite of the ban by Czechoslovak authorities this afternoon several thousand people demonstrated in Wenceslas Square. Today is the 70th anniversary of the proclamation of the Republic. The official commemorations were held yesterday. The opposition had announced a demonstration for today, but this was not permitted by the police, and last week the Prague City Council passed a decree saying that only organizations belonging to the National Front could hold assemblies. In the justification of the ban on demonstrations they alluded to the safeguarding of public order and of inner city monuments.

For the time being there has been no confirmation in Prague of the Western reports that yesterday several opposition figures had been taken into custody, including leaders of Charter 77.

In spite of the ban this afternoon at 1445 at least 5,000 people gathered in Wenceslas Square. The police commando unit [rohamrendoeroek] first tried to prevent the movement, and then, using loudspeakers, called on people to disperse. Since this did not happen, they dispersed the crowd with water cannons. They arrested several demonstrators.

Official Asked About Pact Member Differences

LD2510161188 Budapest Domestic Service
in Hungarian 0545 GMT 25 Oct 88

["The Morning Dialogue" program; interview with Foreign Ministry department head (Bela Kupper) by unidentified presenter; date not specified—live or recorded]

[Text] [Presenter] We have never yet received detailed information before a Warsaw Pact Foreign Ministers meeting about what would happen, and I must say, we did not get much afterwards either. Now, our studio guest is (Bela Kupper), Foreign Ministry department head, and what is more, one of the youngest officials, who is one of the main organizers of this meeting. [28-29 October]

In your opinion, what will this conference's message be? Will it have a message of marked significance?

[(Kupper)] Humanity, and in a narrower sense the population of the European homeland, are on the threshold of a new international age. To be precise, we must advance from confrontation to cooperation. In Budapest we will specify those measures which can significantly reduce the danger of war stemming from an unexpected attack.

[Presenter] To the best of my knowledge there can be a debate between the member-states of the Warsaw Pact, for example on the nationalities question. Will this be discussed at the foreign ministers' meeting?

[(Kupper)] Debate is not prohibited by anyone. This issue is not among the agenda points agreed upon earlier, because although the nationalities issue is important among questions of European security and cooperation, it does not take precedence over, for example, disarmament questions or the question of reducing European military opposition.

[Presenter] Yes, but I am insisting on this because we know that at one of the European follow-up talks—the Vienna follow-up conference, for example— it is the nationality problem which is blocking the signing of a successful concluding document; and many people are criticizing the standpoint of a socialist country, namely Romania, for this.

[(Kupper)] In general it is easier to attain unity in peacetime, but then as we get down to the concrete facts life becomes more complicated. Nevertheless, answering your question, I can say that the national minorities issue does not feature on the agenda, even if the general feeling of these minorities is a significant element of European security—whether they can fill the role of a connecting link between states.

[Presenter] So, why is it not featured on the agenda if it is topical, if this whole subject is in the air?

[(Kupper)] A certain order is needed. I do not want to say that this is not a key question for us, or for some other states, but we must recognize the fact that the national minorities question is not a central question in European politics.

[Presenter] Now, I think that we could perhaps expect reproaches, too. Up to now, the socialist countries have not paraded their internal differences of opinion in front of the world, and they particularly did not turn to international forums. Now we have done this. We have broken with previous practice. Will we not be reprimanded for this?

[(Kupper)] No, [words indistinct], and not only would we not sympathize with this—we would reject it. There are those who express their solidarity.

[Presenter] Is there a socialist country which expresses solidarity?

[(Kupper)] Yes.

[presenter] Which socialist country?

[(Kupper)] Yugoslavia, for example.

[Presenter] Just now the foreign policy practice of socialist countries was mentioned. I think that one of the pivotal elements of this practice was that the socialist countries agreed on their foreign policy. Now at the United Nations a surprising incident happened when, on the question of Israel's UN membership, we took the opposite standpoint to the Soviet Union, so we voted decisively against the Soviet Union....

[(Kupper interrupts)] That is, the Soviet Union wanted to bar Israel, and we wanted Israel to remain a member.

[Presenter continues]...at that point many people speculated that two things could happen: One is that there is no longer a question of an agreed-on foreign policy; the other is that this foreign policy is agreed on to such an extent that they even agreed that Hungary would vote against the Soviet Union. Does this kind of thinking exist? Was it role-playing or not?

[(Kupper)] The question of the stance taken at the United Nations by one state or another concerning Israel is, I think, primarily connected with the individual country, be it [word indistinct] a Warsaw Pact member-state. The Soviet Union or Hungary will take a stand depending on the intensity of the interests connected to bilateral relations; and of course the state weighs what the consequences of this standpoint might be for its relations with other states. But this is definitely not a question for the cooperation mechanism within the Warsaw Pact. It (?is) the subject of evaluation.

Benyi Comments on Aims of Pact Ministers Meeting

LD2810093688 Budapest MTI in English
0839 GMT 28 Oct 88

[Text] Budapest, October 28 (MTI)—The Warsaw Treaty Committee of Foreign Ministers is to meet in Budapest on Friday. In a statement on the subject to "NEPSZABADSAG," Deputy Foreign Minister Jozsef Benyi said, "The Budapest session is one of the regular meetings held by the foreign ministers to coordinate general foreign political lines, exchange experiences and mark out common tasks.

"The recently improving political processes may well be strengthened by the results of the foreign ministerial conference. It may be useful for our entire domestic activity if, with reliance on the experience of our allies, we have a clear view of diplomatic prospects. The collated foreign political endeavour of our allies and the service of national interests equally call for an early favourable turn in international relations. We are working for a system of international relations that is governed not by the spirit of confrontation, but by cooperation based on the common interests of humankind," Jozsef Benyi says.

In connection with the Vienna follow-up meeting, he points out, "Hungary urges measures that take into consideration and add new elements to experiences gained during the implementation of the Stockholm Accords. It is extremely important to create the political and military guarantees of international confidence so that the sense of danger should lessen. In addition to the favourable political effects, the joint measures are expected to entail considerable military savings.

"For this reason, all military forces may be involved and we see a possibility for the further limitation and inspection of military activity, including exercises, for the setting up of a European military danger-reducing centre and for the organization of a pan-European summit meeting on conventional disarmament.

"Nevertheless, strengthening international security is conditional of a simultaneous expansion of inter-state cooperation. It is also indispensable that pan-European humanitarian and human rights cooperation become a general practice in East-West relations as well as in national dimensions. The personal and collective minority rights also belong to this category. Provided the present foreign ministers' meeting will contribute to subsequent East-West agreements, it will be easier to intensify relations in every area. We call for progress in economic, environmental, technical and scientific relations and in the field of cultural cooperation.

MSZMP's Kotai Queried on Foreign Relations

LD3010215588 Budapest MTI in English
1638 GMT 30 Oct 88

[Text] Budapest, October 30 (MTI)—The latest issue of "MAGYAR NEMZET" carries an interview with Geza Kotai, head of the Foreign Affairs Department of the HSWP CC, on the main directions and goals of the Hungarian foreign policy.

Concerning the latest foreign policy actions of Hungary, Mr Kotai points it out:

'There has never been a period in the history of our nation when we maintained settled relations with all great powers. Now we have come to a period like that. I imply, of course, the Soviet Union because perestroyka provides a firm background for us. I also imply that Hungary could reassuringly settle and even develop its relations and cooperation with the United States, irrespective of the ups and downs in the relations between the two great powers. I also imply the normalization of ties with China, and Hungary's settled relations with Japan and its West European partners. This created a background that made it possible for us to deal with some still debated, contradictory or unsettled issues.

'I would mention here the state of Israel and the Republic of Korea. We have realized that the world is changing not only as a whole but by regions as well, and the Hungarian People's Republic should not disregard these important regions. For my part, I attribute great international significance to our agreement with the state of Israel. This region, the Middle East situation as a whole, is changing so it was a logical step from the Hungarian Government. It is also a home policy and humanitarian issue, and I think it useless to go into details.

'As to South Korea, there were also several factors to play a role. Realities must be taken into account. The existence of the two Koreas has been a reality for 35 years, which we must consider in the near future, and even in the medium term. We must notice that south Korea's internal policy is changing in the democratic direction, and we must also keep the national interest of Hungary in view. Preparations for the Seoul Olympics also made it possible for us to build relations through various channels since 1983, which led to the establishment of permanent representations with consular rights.

In reply to a question on the Hungarian-Romanian relations and the latest meeting in Arad of Karoly Grosz and Nicolae Ceausescu, Mr Kotai emphasized:

'This is a grave and difficult problem because these tensions have piled up for some decades. Obviously, they cannot be settled overnight. I would, however, make some things clear. Firstly, it was not now that the Hungarian Socialist Workers' Party started to deal with this issue. The time will perhaps come when we will have to speak about this in a more detailed way. We have never been indifferent. Secondly, I am sure that no one had illusions. Thirdly, we have to negotiate in any case. Unfortunately, the 21 points agreed upon in the Debrecen-Oradea meeting in 1977 have not been implemented, and new problems have also emerged in our relations. Although many alternatives were conceivable, I think the meeting was the only feasible road even if there has not been any positive turn except for the fact of the talks.'

Concerning the attitude of the Hungarian general public to the latest developments in Hungarian-Romanian realtions, Mr Kotai said;

'The first issue is the press campaign in Romania, the intensity of which seems to have decreased since the "SCINTEIA" article, the response by "NEPSZABADSAG", and the publications of readers' letters. As if there were a temporary interval. I don't know how long it will last. We must obviously give an answer to the new accusations and slanders: This is a demand of the Hungarian general public and of the world public. And we will do it if this tone continues. There is a debate over the issue of resettlers as well. The party leadership and the government have undertaken to deal with their problems. There is certain anxiety in the Hungarian general public or in some parts of it. It is, however, very difficult to be wise here. We were morally obliged to deal with the fate of these people centrally and institutionally even if it laid an additional burden on all of us. We have to act in a sober, circumspect and, in any case, humane way because we want to form and construct a humane society.'

MTI Cites Gen Abrahamson's Defense of SDI

LD2810024288 Budapest MTI in English
2111 GMT 27 Oct 88

[Text] Scheveningen, October 27 (MTI)—Denes Baracs, MTI correspondent, reports:

The deployment of the Strategic Defence Initiative (SDI) would be the result of a national and international decision of high priority. The first elements of the system cannot be deployed before 1996, if an unambiguous, positive decision is made in 1992-94, said General James Abrahamson, programme-director of the US Star Wars' plan.

As part of the session of nuclear design group of NATO held in Scheveningen, General Abrahamson answered the questions of the correspondent of MTI. He reiterated the official reasoning that the reduction of strategic armaments would facilitate the realization of the star wars' plans as it would give protection against fewer missiles. As a result, the weapons of SDI would be deployed at a reduced price, which would encourage the elimination of strategic missiles. By contrast, the Soviet opinion, as well-established, is that the implementation of the star wars' programme would make the reduction in strategic weapons impossible.

The general voiced his satisfaction over the announcement of Mikhail Gorbachev that the Soviet Union is also conducting research in space weapons. He called this a manifestation of glasnost and added that Washington is even more open about its research. He rejected the idea that the US would be ready to transfer technology that can be used against the country. Mr Reagan's well-known statement does not concern military technology, but only means that Washington is willing to share the 'the fruits of technology' with the Soviet Union.

In the interview General Abrahamson reiterated that, through the Geneva talks, the United States is keeping up continuous contacts with both its allies and the Soviet Union, and this is why he calls the decision on the possible deployment also an international decision. According to the number-one coordinator and propagandist of the star wars' programme, research is to furnish the political and military leadership with means to talks both on armament reduction and defence. Giving up the plan, General Abrahamson said, would be a mistake.

Karpati Discusses Current Defense Policies

AU1410123188 Budapest NEPSZABADSAG in Hungarian 29 Sep 88 p 5

[Interview with Defense Minister Ferenc Karpati on the occasion of Army Day, by Laszlo Szabo: "Interview With Ferenc Karpati on a Festive Day About Everyday Issues"—date and place not given]

[Text] Today we are celebrating Hungarian Armed Forces Day. The outstanding soldiers in the struggle for liberation, our successful national Army, won a victory in the battle of Pakozd 140 years ago. To preserve the memory of this great victory, today the party's central daily greets the soldiers of our People's Army, the border guards, the policemen, and the workers' militia who are carrying out devoted activity for the benefit of the entire society and of the whole country.

Our armed forces and units, just like the entire country, are engaged in changing and shaping the world in which we live today. We asked Colonel-General Ferenc Karpati to tell us his thoughts about Armed Forces Day.

[Karpati] Society is open to renewal, and this, of course, also applies to us, the soldiers. We are also dealing with a lot of issues. As defense minister, I must primarily see to it that our army, the People's Army, is following the positive phenomena that emerge in our society. An indispensable requirement for our People's Army is to continue to meet its basic obligation, namely, to always be able to reliably defend our country's sovereignty and social achievements, and thus, to fulfill our responsibilities in our alliance.

Tough Debates With a Changing Enemy Image [subhead]

[Szabo] You are a soldier and you carry a weapon, but the world is becoming less tense. Does this change the soldiers' world concept, and do the two armed forces of the two world orders change their concepts of each other?

[Karpati] Apart from the very young people, every adult obviously remembers the months and years following the signing of the Helsinki final document, when hundreds of millions of people all over the world hoped that political detente would also quickly reduce the military confrontation. This did not take place. Many years had to pass before conditions for military detente emerged. The latest Soviet-U.S. summit and its effects most clearly express the favorable direction of recent changes. An agreement was reached at this summit on the mutual withdrawal and destruction of intermediate- and shorter-range missiles, and the implementation of this agreement has already been started with the help of bilateral verification. The document signed by representatives of 35 countries in Stockholm 2 years ago has also begun to reduce the military confrontation. This document stipulated measures to strengthen military and security confidence in Europe. The implementation of these measures has since begun, and mutual trust has indeed increased. We also see slight progress in the talks on a 50 percent reduction of strategic nuclear arms. I think it is extremely important that there has been progress on the issue of disarmament verification because a lack of progress on this issue has always had a paralyzing effect, to such an extent that it seemed to be an insurmountable obstacle at the talks dealing with the reduction of armed forces and their arms. One can note changes here, too. However, a soldier should not become enthusiastic, but should remain a realist.

[Szabo] What do you mean by this?

[Karpati] The main forces of the Warsaw Pact and NATO are stationed in Europe. These forces are comprised of several million soldiers on both sides. Can you understand the signifigance of this? It means danger! Therefore, the greatest need for reducing military confrontation is here, in Europe, because this is a key issue of further detente and of creating a more secure world. Therefore, world politics focuses today on the reduction of conventional armed forces and their arms in Europe.

I, personally, have great confidence that genuine talks will soon begin in this area which is very important for us.

[Szabo] How does this affect us Hungarians?

[Karpati] At the negotiations, the size and strength of our People's Army will also be analyzed. Of course, I do not have any illusions. There will be tough debates, although neither side can endeavor to achieve superiority over the other. There are still people committed to the policy of power who would like to achieve unilateral advantages and force new waves of the arms race upon us by developing conventional weapons. The talks aimed at reducing conventional forces and arms will show the extent to which our decades-old concept of each other is able to change.

It is also a fact based on precise information that NATO continues to carry out its military program. One of the major elements of this program is the effort to "replace" the dismantled intermediate- and shorter-range nuclear missiles with other, better-quality arms, and to deploy highly accurate conventional arms. I, as one of the military leaders of one of the sides, should also keep in mind that the level of preparedness of NATO troops continues to be high and that NATO is consistently carrying out large-scale military exercises. It is impossible to disregard all this when we describe the other side's image. However, despite these facts, I certainly do not intend to underestimate the changes that have taken place in military rhetoric and the changes in what both sides are stressing.

[Szabo] Does this mean that only the rhetoric has changed, and that the real image has remained the same?

[Karpati] Not at all. Think only of the fact that the defense ministers of the two world powers, the Soviet Union and the United States, have held talks, have been getting acquainted with each other, and have visited each other's combat units; all this represents a change in the way we perceive each other. We, Hungarian soldiers, are also striving for openness and dialogue. We continue to strengthen the good relations between the leaders of the Hungarian People's Army and the Austrian and Finnish military leaders in this spirit. Relations are beginning to develop with the British and Swiss military high command. The first meeting of representatives of the Hungarian People's Army and the U.S. Armed Forces took place recently, on the level of military historians. We are ready to build direct contacts with other NATO armies, too, because we believe that these contacts also strengthen confidence.

Opportunities for Reducing the Military Expenditure [subhead]

[Szabo] The Warsaw Pact member states have formulated a new military doctrine by adding a new fundamental principle to its defensive character: to maintain reasonably sufficient armed forces and arms. Can this lead to a considerable reduction in our countries' military expenditures in the foreseeable future?

[Karpati] Hungary's military expenditures are determined by developments in the international situation, and not by the Warsaw Pact's military doctrine. Thus, the reduction of military expenditures depends on developments in the balance of forces. The principle of reasonably sufficient forces means that we intend to maintain a sufficient military potential to guarantee our country's security. This, however, depends on the other side's political efforts and forces, too. To create sufficient security, the Warsaw Pact member-states proposed to mutually eliminate the military bases stationed on the territory of foreign countries, to withdraw each side's troops back within its national borders, to remove the most dangerous types of offensive weapons from the area of direct contact between the two military alliances, and to reduce to a minimum, and in a coordinated way, the concentration of armed forces and their arms in Europe. This would lead to a reduction of conventional armed forces and arms in Europe, and to the elimination of the existing imbalances. In this way, we could achieve a balance of forces at a considerably lower level of armament.

[Szabo] The principle of mutuality is becoming clear from your words. There are opinions in Hungary, too, which say: "Why should we wait for this? Let us begin, and they will follow us, and thus we will have advantages in extricating ourselves from our present difficult situation." What is the opinion of a member of our government?

[Karpati] Our efforts are clear. We are open to the idea of bringing about a balance of forces at a lower level of armaments on the basis of reciprocity and acceptable compromises. As a result, considerable forces could be released in Hungary for the benefit of human prosperity, culture, science, and environmental protection. I am optimistic and I am confident in the success of this endeavor. However, I do not want to make predictions. Therefore, I cannot yet give you an answer to the question of when a European country, including Hungary, can considerably reduce its military expenditures.

[Szabo] As far as I know, the Hungarian People's Army has carried out organizational changes over the past 1 and ½ years, changes leading to great financial saving. We would like to know more about this.

[Karpati] The main goal of our organizational modernization was to maintain, and if possible develop, our Army's training and combat readiness. As a result of this modernization, our land forces are now more suitable to fulfill their tasks because we modernized these forces in accordance with our conditions. However, because of the balance of forces between the two military alliances, these changes did not have a basic effect on the Army's size, arms, and the amount of combat technology. As I have already mentioned, reduction in personnel and arms depends only on the result of negotiations on armed forces reduction.

Naturally, in the course of these organizational changes, we also considered the need to make even more economic use of our financial and personnel possibilities in the future. Therefore, we reduced the number of large military organizations and their leading bodies. In the future, these will need smaller sums for maintenance and development, and the efficiency of their leadership will also increase. As a result of these changes, the number of various levels of military exercises will decrease, and so will their size; thus, our expenditures will also decrease. As a result of an internal reorganization, the size of peacetime units has increased, and this makes it possible to call up fewer reserves. Thus, the number of people who must temporarily stop their civilian activity will decrease.

Other areas were also affected by these organizational modifications. We have just finished the fusion of the home front and civilian defense organizations. The activity of simplifying the structure of the Defense Ministry is also under way. All this will increase the efficiency of the leadership, eliminate parallelism and exaggerated centralism, and will also allow us to make release personnel cuts in most cases.

As defense minister, have you heard that certain professional warrant officers and officers of the Hungarian People's Army have voiced concern for their jobs when confronted with declarations demanding a reduction in defense expenditures?

[Karpati] Yes, I have, but I do not think that this can be traced back to detente in general, or to the much desired disarmament. Our warrant officers and officers are realistic people, and by this I mean several things. I think it is well known that professional soldiers can hardly make extra money or carry out extra activities to add to their wages. This is particularly true in the case of young soldiers who are beginning their careers. Every young man has a natural desire to establish a family, start his own life, own a car, and travel abroad, but within a short time, his wages are not enough to do all of this. We try to ease the problems of young people who start their career with us as much as possible. We consider housing and an interest-free loan for families the most important elements of our efforts. However, today the People's Army is even organizing group trips abroad. There are, of course, young people here who mistook their vocation, but such things happen elsewhere, too. For some years, however, we have had favorable experiences concerning young people who enroll at the military college. There are much greater possibilities for selecting cadres than before.

The existence of various unjustified and superficial opinions full of illusions about the Army's justification have, of course, an unfavorable effect on the mood of our professional soldiers. However, our officers and warrant officers are aware of the problems confronting our society and, according to our experience, they do not get confused when they get involved in a debate.

[Szabo] It seems that society's respect for the Hungarian soldier has increased in the last decade. Today, however, because of some manifestations, demands, and declarations, the professional soldiers, policemen, border policemen, and workers militia sometimes feel that their existence allegedly "costs" the society their very food, and they even express this feeling. Are you aware of this mood?

[Karpati] Yes, I am aware of it. I am glad that you have also noticed the increase in society's respect toward the Hungarian soldier. The fact that the Hungarian soldiers honestly carry out their share of society's division of labor has definitely contributed to this increase in their prestige. The same is true of the Hungarian policemen, border guards, and workers militia who are ready to defend our country's sovereignty and our society's achievements, to eliminate the consequences of catastrophes and natural disasters, and to maintain public security and political order. These are facts, not resounding phrases. During our activity, we generally do not create products, so we are primarily consumers. However, we are aware of the fact that we are needed. Therefore, I can declare that we do not "pinch" anyone's food, to use your words. On the contrary, we contribute to the creation of this food with our particular means, by guaranteeing the conditions of peaceful and calm activity for our people.

Of course, our self-awareness would not be sufficient in itself. I am convinced that the millions of people who want to preserve our socialist achievements and who work for social renewal are also aware of the fact that our Armed Forces are serving the interests of the people.

[Szabo] The National Assembly has recently claimed that defense expenditures details should be made public. As one who must know the limits of real secrets, how far would you go in making such information public?

[Karpati] I consider the open discussion of defense expenditures an important issue today. The general political development currently under way in Hungary requires the supply of broad and genuine information on every important issue concerning the country. I believe in this because I know that this can only help people to see things clearly, while unjustified secrecy benefits precisely those people who like to fish in troubled waters.

We feel that the role of the National Assembly in directing the country's affairs is currently changing. I am convinced that an increase in openness about us would only contribute to the cause of defense and the interests of our People's Army. This is an important endeavor of our party. The defense of our country is the affair of our entire society; this is an essential concept of our Constitution, and I hope this will also be properly represented in our new Constitution currently being prepared. I think it is necessary for the National Assembly to debate on, accept, and strengthen the main goals of defense and its available resources. In my opinion, control carried out by bodies that represent the people's interests only strengthens the citizens' readiness for defense, their preparedness, and their responsibility.

In addition, greater openness is justified by the fact that the exchange of information is becoming increasingly important in various international meetings in order to conduct genuine negotiations about the asymmetry of forces, about how to eliminate this asymmetry, and about enforcing a balance. The defense expenditures have always been included in the budget debate, although we did not provide details of how we spent these funds. I think it is possible to provide more details in this respect.

Details From the Army Budget [subhead]

[Szabo] Here is the chance to do so, Comrade Karpati: What are the expenditures of the Defense Ministry?

[Karpati] I will mention some figures to provide examples. This year the budget allocated a total of 2,240 billion forints for supplying the Army with food. (Professional soldiers pay for their food.) The budget allocated 1,554 billion forints for clothing; 1,334 billion forints for military health services; 2,110 billion forints for maintenance and renewal of military facilities, including 1,370 billion forints for barracks; 9,940 billion forints for salaries; and 230 million forints for our secondary school student hostels. I think that even the National Assembly is not "curious" to know how many tanks, radars, or air defense missiles we buy, because, for the time being, the world's armies do not provide such details about their secrets. Of course, this does not mean that, in the spirit of the law on state secrets, the Defense Committee of the National Assembly could not receive even more detailed information. I think that international negotiations will probably lead the world to an even greater openness, in which the quantity and quality of arms will also be detailed.

[Szabo] The world press has recently carried rumors about the Soviet troops temporarily stationed in Hungary, rumors that misled international public opinion and domestic public opinion, too, because there is no longer a scarcity of news in Hungary. This also shows that the idea exists that foreign troops will be withdrawn in the framework of an international agreement. Is there any reality behind this?

[Karpati] I consider the current international atmosphere favorable for starting genuine negotiations between the two military alliances on arms limitations, reduction of armed forces, and elimination of the existing asymmetry, including the withdrawal of foreign troops on both sides. I will only remind you that Comrade Shevardnadze proposed at the UN special meeting in June 1988, among other things, eliminating the entire foreign military presence by the year 2000. No favorable answer has come from the NATO circles yet. Of course, there are 12 more years until that deadline. This is a long time, but it is not up to us to make it shorter. We desire mutual reduction and withdrawal of troops.

Unilateral Withdrawal—Extra Burden [subhead]

[Szabo] Can one imagine some sort of unilateral decision in this respect?

[Karpati] Not from a mutual security viewpoint. If, for example, the Soviet Union withdrew its troops stationed abroad and NATO did not follow with such steps, the member countries would have to fill the vacuum created by this act. This would apply to us, too. Think of the huge, extra burden this would represent for Hungary. Therefore, we support a joint elimination of the existing asymmetry, followed by a mutual reduction in military forces, and the creation of a balance of forces at a much lower level of armament.

In this process, we consider the withdrawal of Soviet troops—or their partial withdrawal—from Hungary to be possible and realistic. We hope that talks on the reduction of armed forces and conventional arms in Europe will start soon, perhaps this year, and that these talks will lead to results favorable for Hungary as soon as possible.

[Szabo] Hungary is a member of an armed alliance to which it is bound by ideas, as well as by legal obligations. I am sure that the socialist countries will reach a point when the friendship between the allied members will be sufficient, and there will be no need to express this friendship in the form of an armed alliance. I have come across opinions that regard this as attainable today. What is your opinion about this?

[Karpati] I would like to give you an exact answer. Hungary is a member of a political and military alliance in which the political aspect is the dominant character today. This was not always so. There were times when, justifiably, the public was informed only about the military aspect of the Warsaw Pact, and this, naturally, strengthened the military aspect in society's awareness. Things have changed, and today the political aspect is the determining characteristic in this alliance which also involves military power. The expressed goal of the Warsaw Pact alliance is to eliminate, as soon as possible, its members' armed interdependence that is currently still inevitable. I have already mentioned the conditions for the implementation of this goal. If NATO is dismantled, there will be no need for a joint military organization on our side either. We believe in a simultaneous elimination of military organizations. In my opinion, following the elimination of military blocs, we will strengthen our political cooperation with the Soviet Union and the friendly socialist countries in a more developed, multilateral, and efficient form than hitherto.

Economic Aspects of Grosz' Iran Talks Reported

LD2810163288 Budapest MTI in English
1507 GMT 28 Oct 88

[Text] Budapest, October 28, 1988 (MTI-Econews)—Debate on oil prices was a key issue on the agenda of the talks of Prime Minister and party leader Karoly Grosz in Tehran. Iran offered a price over 14 dollars per barrel which the Hungarian side refused to accept because world market price is fluctuating at 12-13 dollars. Decision is to be reached after the OPEC conference to be held in Vienna in November.

In 1987, Hungary bought 700,000 tonnes of oil from Iran and, if it agrees on the price, it is prepared to buy 700,000 to 1,000,000 tonnes per year in future.

During the two-day visit, compromises were reached on other debated commercial issues. Agreement was reached on the counter-balancing of Hungarian engineering goods, and the Iranian side opened a letter of credit for a 4.5 million dollar contract, concluded earlier for the assembly of a lampshade factory by Tungsram.

The talks centred on finding areas where Hungary could participate in Iran's reconstruction programme by delivering capital goods. There are opportunities in agriculture, food industry, delivery of power plant equipment and the building material industry.

Hungarian suppliers are facing tough competition on the Iranian market. However, representatives of the Tehran Government said that if offers were of equal terms, Hungary would come into consideration because it was a reliable supplier during Iran's eight-year war with Iraq.

The offer of a USD 200 million bank loan to finance Hungarian capital goods deliveries over the bilateral clearing improves Hungary's chances.

Under an agreement signed in Tehran, Iranian experts in plant growing, plant protection, animal breeding and forestry are to study in Hungary for 1 to 3 months against USD 5-700,000.

Grosz Defines Policy, Announces Resignation

*LD2810153388 Budapest MTI in English
1015 GMT 28 Oct 88*

[Text] Budapest, October 28 (MTI)—Friday's "MAGYAR HIRLAP" carries an interview with Prime Minister Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party.

Mr Grosz says that his foreign trips are aimed at improving the internal situation of the country. "The new phase of detente, marked by the rapprochement of the two great powers, not only creates further opportunities but also imposes additional commitments on every state. We have to join in the dialogue. Faced with the exceptional amount of interest towards the continuing changes in the socialist world, including Hungary, we are obliged to publicize our intentions and aims."

Mr Grosz says he has notified his partners in Austria, Spain and France, the countries he is shortly to visit, of his intention to resign as prime minister in late November. The unanimous response was that he would also be welcome as party general secretary.

Summing up his 16 months in the prime minister's chair, he says, "I am highly dissatisfied with my activity as prime minister, but I would feel the same even if my results had been considerably better. And yet I think that, on the whole, the government programme is going rather well." He also remarks that the tax system, which was introduced in January after insufficient preparatory work, will have to be corrected in three stages, possibly over the next five years. The first step will be to amend the personal income tax system, probably in December.

Asked about recent doubts over the government's and his own personal credibility because of unmet promises, Mr Grosz said, "I consider the inflation rate of between 16 and 16.5 per cent satisfactory. On drawing up the annual plan, we set the figure at 15 per cent, but we could not foresee the 8-per-cent devaluation of the forint, which pushed up the consumer price level by 1.5 per cent. If we add the two together, we get the planned figure... Our international balance of payments has improved, but not to the extent anticipated. 200 million dollars was spent on the introduction of the new world passport. The expected sum was about 100 million. We never thought that foreign travel would take off to the extent it has... When I became prime minister, I did not know as much about the economic situation of the country as now, and the government programme was drafted only three months after my election. I am still of the opinion that the government's scheme is realistic and can be accomplished in three or four years. There is no need to alter the envisaged aims."

In reply to a question about the growing anxiety that the government and the party leadership are facing the danger of collapse, Mr Grosz says, "justified as they are, such worries go hand in hand with transitional periods. During the last 15 years, a 'shadow' party leadership and 'shadow cabinet' would have been able to prepare themselves for the change, but we have to devise the appropriate methods of planning and work suited to the new conditions now. I myself see no sign of collapse in the government...but instead an increasingly unified government approach gaining ground."

"I don't yet see this positive tendency in the party leadership, though. The Central Committee has only been working together in its present composition since May, and a few sessions are not enough to forge intellectual unity. The Political COmmittee is united ideologically and it has very few differences on political issues. At the same time, there are open debates about questions of tactics, methodology and working style. It takes time for the body to shape a desirable practice in the present intricate home political situation."

Asked whether tension had increased in the country since the party conference, Mr Grosz answered, "In my experience, quite the contrary... Maybe it is too early to state this, although it is supported by facts, but, as I see it, the source of tension in the narrowest circle of party leaders is not ideological, political or tactical differences, but personal problems... People with more or less similar careers have got into a small political leading body. None of them enjoys unquestioned reputation based on personal traits, career, intellectual capacity or political experience. This is exactly how we wanted to create a collective leadership. This, however, has a side effect which might prove a passing phenomenon, but may also be getting worse. There are cases where elementary order and discipline, which should be based not on the principle of authority but on the established hierarchy, are becoming unstable. Regrettable as it may be, one party can have only one general secretary, who is not necessarily me. The prime minister's post is also for one person. Again, this person could be someone other than me... The present conditions are, then, transitional and should be tolerated for some time—until the congress, I think. (The 14th HSWP Congress is due in 1990) We all have to come to realize that the stakes are much higher than who will take the various posts. What is now at stake is whether Hungarian socialism will be able to find its place in the renewing socialist world and integrate more into the dynamically-developing world economic processes than it has done so far. If the participants in the debate are fired by personal ambitions and fail to subordinate their aspirations to the collective aim, it will be impossible to attain the goals we set ourselves. I am confident, however, that common sense will prevail."

Concerning the banning by Budapest police headquarters of the October 23 street demonstration, the reporter asked Karoly Grosz whether the decision could be taken as an indication of possible future practices. The reply was, "Yes, it was an indication, with political considerations behind it. The thing is that the tragic events of October 23, 1956, were primarily counter-revolutionary, and we cannot allow a counter-revolution to be commemorated as a memorable anniversary. The participation of well-intentioned people has also been clarified through decades of political debates. We see no reason to change our earlier assessment of the situation, but the underlying causes still have to be thoroughly analysed using scientific methods. We have to gain access to the available sources and explore further ones. Naturally, I do not mean a recollection of events 30 years ago according to present standpoints... We do not have, however, any new reliable source to go on in reassessing the character of those events. As to the future, the October 23 measure is forward-looking insofar as it indicates that the government retains the right, which I hope will be guaranteed by law, to decide in which cases to permit a street demonstration. The government does not want to interfere in programmes held in private homes or in enclosed places, but it claims the right to have a say if a public area is involved."

To the final question concerning the expected changes following his resignation as prime minister, Mr Grosz answered, "There are changes in decision-making. Organized by the CC Cadre Committee, a deliberation has started among the CC members on potential candidates. Five people are involved, but further proposals can also be made... All decisions of this kind have to start from the Political Committee. In such cases, the Political Committee asks for other people's opinions... Obviously, we shall finally present a number of different proposals, but the Political Committee will have to vote for one proposal towards the Central Committee, and the Central Committee submit one proposal to the People's Front Presidium. I believe that the common proposal can only be for a single person, because alternative nomination for prime minister is not a common political practice.

Pozsgay on Dismantling Western Border Alarm

LD2710101388 Budapest MTI in English
0910 GMT 27 Oct

[Text] Budapest, October 27 (MTI)—"Hungary is no longer interested in maintaining the electric alarm system on its western border: It has become outdated historically, politically and technically alike, and will probably be dismantled in the foreseeable future. We hope this measure will improve public feeling and continue to improve relations between Hungary and Austria," said State Minister Imre Pozsgay, member of the Political Committee of the Hungarian Socialist Workers' Party. He was speaking to a "NEPSZABADSAG" reporter after his Wednesday [26 October] visit to the frontier guard.

He pointed out the border is guarded not against Hungarian citizens but in the interest of the country's sovereignty, security and cooperation with other states, and to avert events that might disturb public order.

The state minister was told there had been about 2,000 violations of Hungary's borders during 1987, and 6,800 this year. Ninety-eight per cent of the violations were committed by foreign citizens, mainly Romanians heading for Hungary via the Hungarian-Romanian border.

Lukacs Back From Trip to USSR, Mongolia, PRC

LD3010013188 Budapest MTI in English
1820 GMT 29 Oct 88

[Text] Budapest, October 29 (MTI)—Janos Lukacs, member of the HSWP Political Committee and secretary of the Central Committee, who had headed a party delegation to, and held talks in, the Soviet Union, the Mongolian People's Republic and the People's Republic of China from October 19 to 28, returned to Hungary on Saturday.

Gdansk Lenin Shipyard To Close 1 Dec

LD3110113088 Warsaw Domestic Service in Polish 1105 GMT 31 Oct 88

[Text] A moment ago we received the following information. The Government Press Office announces that on 29 October, and on the recommendation of minister of industry, the premier decided to close down the Gdansk Lenin Shipyards. That enterprise will formally cease to exist on 1 December 1988.

Solidarity: Closing 'Provocative'

AU3010210088 Paris AFP in English 2016 GMT 30 Oct 88

[Text] Warsaw, Oct 30 (AFP)—Polish Industry Minister Mieczyslaw Wilczek has ordered the closure of the Lenin shipyards in the northern Polish port of Gdansk, several members of the banned trade union Solidarity said Sunday.

The shipyards employ some 10,000 people including Solidarity leader Lech Walesa and many other members or sympathizers of the union, which was born in Gdansk in 1980. The city has remained a Solidarity stronghold ever since.

Solidarity members said the shipyards' manager, Czeslaw Tolwinski, had refused to carry out the minister's instructions to wind up operations at the yards.

Alojzy Szablewiski, a Solidarity representative there, described the government move as a provocative act. The government several times threatened to close the shipyards and other industrial complexes which it says are unprofitable during the wave of strikes in the country in August.

Mr. Szablewiski, reached by telephone, told AGENCE FRANCE-PRESSE that he was "indignant" about the proposed closure. Solidarity's committee at the shipyards said the yards were "running better than ever."

Earlier this weekend, Solidarity spokesman Janus Onyszkiewicz said the delay in opening "round-table" talks with the Polish opposition promised by the government was raising tension and could lead [words indistinct] conflict in the country.

Mr. Onyszkiewicz said that Prime Minister Mieczeslaw Rakowski did not have enough support to implement a "credible" reform programme without first negotiating a "compromise" with the opposition. The August strikes were only ended on the promise of talks and reforms.

Walesa on Premier's 'Provocation'

LD3110132888 Hamburg DPA in German 1245 GMT 31 Oct 88

[Text] Warsaw (DPA)—Workers' leader Lech Walesa today described the decision to close the Lenin Shipyard in Gdansk as a "provocation by Premier Rakowski". This step is directed against the cradle of the trade union, Solidarity. On the telephone to DPA from Gdansk, he said: "Not economic, but political reasons have caused him to give Solidarity this box on the ears."

Walesa said that he did not know how the workforce would react. He is resolved, however, to defend the shipyard. Although he is now sick, he will be in the yard on Wednesday, and "we will fight." He assumes that the workforce would react strongly to the decision. He will make efforts to draw other enterprises into the protests.

He is not against reforms, and knows that one has to close unprofitable firms and "get things" which are not in order "back on their feet." But the manner used "at the place of the agreements of 1980" displayed the greatest arrogance. He knows that things are not particularly good in shipbuilding at the moment, but there are also other enterprises which were unprofitable. For example, why are mining workforces, which are no use to anyone, being reduced, instead of being wound up altogether. It is "macabre" for the premier to have decided on this step as the first thing at the place of the agreements made between the leadership and workers.

Gdansk Shipyard Closure Explained

LD3110150088 Warsaw Domestic Service in Polish 1105 GMT 31 Oct 88

[Text] I remind you that the Government Press Office has announced that, on the recommendation of the industry minister, on 29 October the premier decided to close down the Gdansk Lenin Shipyard. That enterprise will formally cease to exist on 1 December 1988, and the gradual process of winding it up is beginning as of now.

Here are further details on this subject in line with the earlier announcement.

In his Sejm report on his program, Premier Rakowski announced that his government would move from words, plans, and announcements to determined actions to cure the Polish economy. That includes the closing down of inefficient and unproductive enterprises and also some kinds of enterprises which have to be subsidized by the state. The Industry Ministry has a list of enterprises, including large enterprises, whose closure has already been prepared or is being considered. Further decisions on closures will follow.

Premier Rakowski asked the Sejm whether society would consent to this. The decision to close down the Gdansk shipyard, which was signed by Deputy Premier Ireneusz Sekula on the premier's authorization, was explained in detail and handed to the management and other shipyard representatives.

It is no surprise either to the public or to the labor force of the Lenin shipyard. The possibility of closing that enterprise has been discussed publicly for a long time, including in the press. It was also the subject of analysis by a commission of experts and was discussed within the shipyard.

Various solutions were considered. The Industry Ministry proposed radical moves in line with the attitudes of the new government. The reason for the decision is the need to improve the utilization of the production capital which is concentrated in the Gdansk shipyard and to improve the structure of the entire shipbuilding industry.

The premier's decision assures the shipbuilding industry of better possibilities of development and export through a change of structure aimed at making it productive, profitable, and working economically. That and the next moves will create for it better bases for functioning and development, will cause it to be more competitive on the world markets, safeguarding its (?position) in the Polish economy. As a society we will put less into shipbuilding, or will cease to make additional payments at all. On the other hand, the work crews of efficient shipbuilding enterprises will gain better conditions of work and many opportunities for increased earnings.

The closure of the Gdansk shipyard is a decision connected not only with the needs for the healthy development of the shipyard industry but also with fundamental more general changes in the economic policy which the new government is undertaking. For example, the growth in expenditure, including in the food economy, must limit the size of investments in other spheres, for example for an increase in the (?power) of the metallurgy industry, and cause the transfer of expenditure to a more economical use of steel. Shipbuilding absorbs too great a quantity of sheet metal, and an increase in the number of ships built would upset the government's economic policy, necessitating metallurgical, raw material, and power investments.

In recent years a fall in production has taken place at the Gdansk Shipyard. For example, in 1979 it constructed 24 ships and in 1987 it constructed 9 ships. At the same time, the economic efficiency of production has deteriorated, subsidies from the state treasury have grown, and the time cycle for the construction of ships has lengthened. The neighbouring Northern Shipyard achieves economic results nearly twice as good. It can take in a considerable part of the equipment which can be used only for the construction of ships, as that shipyard has proven that it knows how to utilize them better.

The difficulties of the Gdansk shipyard, which have grown worse over the years, were caused by the considerable and already irreversible fall in employment, insufficient supplies from cooperating enterprises, the irregular production rhythm, and obsolescence of part of the machines and equipment, which could no longer be modernized because the low profit enterprise could not afford it. In this situation the efforts of a considerable part of the workcrew did not give them satisfactory results. Now there is a chance that this will change.

The process of starting the new running of the shipyard's assets will last at least a year. The shipyard's production equipment not accepted by the neighboring shipyard will be used to start up a different kind of production, for example for equipment needed by agriculture, market products, and perhaps equipment for the protection of the environment. The new kind of production will enable machines and equipment from the closed shipyard to be used so that in a short period of time a higher productivity from the production capital which it possessed can be achieved.

In the production areas and halls of the former Gdansk shipyard other enterprises or new enterprises will develop activity of their own profitable production program. Companies producing here already for the shipbuilding industry will continue to function and will take on part of the released production capacity, thus developing their activity.

Prior to the decision being made to close the shipyard a program was drawn up above all to safeguard the interests of the labor force, to provide an assurance of work for all its members and so that majority which holds high qualifications and which worked well will have the possibility to fully utilize their qualifications to obtain equivalent or better earnings.

A considerable part of the 11,000 strong labor force will be able to take advantage of employment offers in the places where they have worked up to now, which will be taken over by the Northern Shipyard or other enterprises, including new enterprises and companies. Whoever so wishes will obtain offers of work in the Gdansk repair shipyard, in the Northern shipyard in Gdansk, or in the "Paris Commune" Shipyard in Gdynia.

At the same time, the labor force of the Gdansk shipyard has a choice of offers of 30,000 jobs which are vacant in the area of the Gdansk Voivodship. Possibilities of retraining will also be created at the state's cost.

Two thousand employees of the Gdansk shipyard live in rooms as tenants or at workers' hotels. They will be able, if they want, to choose work nearer to their places of permanent residence. This also concerns an even larger number of shipyard employees who commute daily to work from sometimes distant places.

The personal interests of employees will be highly respected.

As of 2 November an employment agency specially organized on large scale will start to function. People who immediately take up new employment will, as is quite natural, have a greater choice of places of work and in the period of notice can attain double earnings from the old and new place of work.

The completion of the construction of ships whose production has been started is anticipated. Orders placed in the former Gdansk shipyard will be transferred to other shipyards.

The Government Press Office will announce further decisions on the closing of enterprises which is not as a result of bankrupcy proceedings but is based on a decision at government level.

Urban on Solidarity Remarks on Roundtable

LD2810134188 Warsaw Domestic Service in Polish 0430 GMT 28 Oct 88

[Text] Officials of the former Solidarity trade union have issued a statement in Gdansk in which they question the sense of a roundtable meeting. Responding to this, Jerzy Urban said that an absurd situation had arisen. The authorities want to talk without preliminary conditions and about taboo subjects with a group of people with divergent views that could be brought closer together to achieve accord. The other side also wants to talk, but it rejects the conditions of the roundtable principles which it had previously approved. Such a situation leads to a prolonged exchange of accusations and polemics which will delay the proceedings, while that is not what everyone is waiting for.

Appeal To Rethink Actions Against Strikers Made

LD2810222388 Warsaw PAP in English 2157 GMT 28 Oct 88

["Appeal for Revision of Actions Against Strikers"—PAP headline]

[Text] Katowice, Oct. 28—The voivodship people's council in Katowice has appealed to managements, trade unions and employee councils of the region's enterprises which took action against strike organizers, to re-examine their decisions in the name of the realization of the principle of national reconciliation.

In a stand adopted at its session today the council expressed on behalf of the Katowice Voivodship citizens deep and sincere hopes pinned on the idea of the round table. It supported the appeals of the round table's initiator Gen. Czeslaw Kiszczak to examine once again, wherever it is possible, every individual case of violation of the labour law in a conciliatory manner and revise the hitherto decisions as well as to drop the already instituted proceedings or apply a non-repressive settlement in cases against strike organizers in the Katowice Voivodship.

Miners Demonstrate in Katowice, Demand Jobs Back

LD2810225288 Warsaw PAP in English 2214 GMT 28 Oct 88

[Text] Katowice, Oct. 28—A group of 30-50 miners staged at this city's market square this afternoon a demonstration to demand their reinstatement at work and a stop to punitive actions taken against them for participation in recent strikes.

The group was led by Tadeusz Jedynak, Tadeusz Zakrzewski and Grzegorz Stawski (leaders of strike actions at the "Manifest Lipcowy" [July Manifesto] colliery in Jastrzebie). The demonstrators' banners read: "We are jobless, we demand reinstatement at work".

From the market square the group marched towards the hard coal community building where it was stopped by police. After a short conversation with a police officer the leaders of demonstrating miners announced there was nobody to talk with today and therefore relevant talks should be put off until some later date. They ordered the banners to be rolled up and dispersed peacefully.

Wroclaw Officials Discuss Students' Boycotts

LD2810160388 Warsaw Domestic Service in Polish 0600 GMT 28 Oct 88

[Text] A meeting took place yesterday between the rectors of Wroclaw's higher education establishments and Wroclaw Voivoda Janusz Owczarek, chairman of the Voivodship's Defense Committee [WKO].

The rectors informed the WKO chairman about the current situation in Wroclaw's higher education establishments. The situation is particularly disquietening in the (?university) where the students have disregarded the views of the rector and the senate's resolution—that is the view of the highest democratically elected authorities of the college.

It was stated that students who break the law and scorn the stand and recommendations of the authorities do not deserve the title of students. It was also stressed that studies are voluntary and that in undertaking them and in taking the oath students accept the standing legal order and the regulations governing studies. Any reservations arising during the studies should be discussed in ways provided by the law. The rectors of Wroclaw's higher education establishments offer their help and their cooperation in this matter.

Another rally of students who are boycotting military training took place yesterday in the Institute of Polish Philology at Wroclaw University. Some 200 people took part in the rally. They voted for a resolution to suspend the boycott from 29 October. This decision was adopted as a consequence of information being received concerning talks—to be held in the very near future—between representatives of the Ministry of National Education and representatives of the boycotting students.

Police Stop Students Protesting Housing Shortage

LD2810171088 Hamburg DPA in German
1635 GMT 28 Oct 88

[Excerpt] Warsaw (DPA)—The police used batons on Friday in Warsaw against several hundred students who wanted to draw attention to their serious housing shortage. The demonstrators gathered in front of Warsaw's Technical University with whistles and banners; more than a dozen students were temporarily detained. [passage omitted]

Acts Repealed To Increase Trade Independence

LD2910161288 Warsaw PAP in English
1515 GMT 29 Oct 99

[Text] Warsaw, Oct. 29—Poland's minister for foreign economic cooperation has repealed sixty-one normative acts, including forty-four ministerial decrees, in a move to increase the independence of Polish enterprises operating on foreign markets. Many of the repealed acts included provisions under which operations undertaken by enterprises required the consent of either the minister himself or people or units subordinated to him.

The ministry repealed a total of 101 normative acts since October 1987.

Industry Ministry Personnel To Be Cut by Half

LD3110142088 Warsaw Domestic Service in Polish
1105 GMT 31 Oct 88

[Text] Industry Minister Mieczyslaw Wilczek has decided to reduce the administrative personnel of the ministry by a half. This will be done within 3 months. It is intended to allocate the means saved in this way to increase the pay of the remaining staff and to modernize the technical equipment of the ministry in order to increase employee efficiency. At the same time, the industry minister has decided to reduce by 40 percent the employment level in the administration of the coal corporation, the power industry, and the lignite corporations, particularly in mining companies and power industry districts. The savings will, above all, be allocated to improving the living conditions of mining and power industry employees who live in workers' hostels.

Officer Cadets Condemn Army Shirkers

LD2510202088 Warsaw PAP in English
1906 GMT 25 Oct 88

[Text] Lodz, Oct. 25—The stormy dispute over military training of students aroused in Krakow is inconsiderate, reserve officer cadet Wlodzimierz Hrakatto said in an interview for PAP:

"Youthful naivete and willingness to take spontaneous and radical steps, natural for this age, were used again. In Krakow, many students let themselves be deceived by attractively sounding slogans, behind which political game is hidden.

"Of course, the best possible solution would be to set up a voluntary and highly skilled professional army in Poland but we cannot afford such a luxury. Everywhere in Europe, young men are subject to military service and training, and in Poland this is a constitutional duty and it stems from Poland's reason of state. I am sorry that some students are not yet mature enough to understand this and let themselves be provoked to take actions whose consequences can be incompatible with their true intentions. I would like my younger colleagues to think who can be keen on this, particularly now before the 'round table' debates."

Officer cadet Adam Jaskow: "People proclaiming pacifism appear outside higher schools and this is eagerly accepted by young students. Also I think that somebody used and on purpose incited students just before an event important for Poland, which is to be the 'round table' meeting."

New Weekly 'WARSAW VOICE' Seen 20 Oct

LD2110032188 Warsaw PAP in English
1935 GMT 20 Oct 88

[Text] Warszawa, Oct 20—New weekly—"THE WARSAW VOICE" in English appeared to-day at newsstands. In its first issue "THE WARSAW VOICE" presents the newly-elected prime minister, Mieczyslaw F. Rakowski, and his team, devotes a column to the Polish Pope, John Paul 2, and his ten years in the Vatican, writes about five faces "Around the Table" Stanislaw Ciosek, General Czeslaw Kiszczak, Father Alojzy Orszulik, Professor Andrzej Stelmachowski and Lech Walesa. In the world column of the weekly the Nagorno-Karabakh problem of the USSR is tackled.

In a note from the editor, Andrezej Jonas Writes that "THE WARSAW VOICE" is a weekly that would like to inform as fast as possible, as interestingly as can be and honestly. Our columns—he underlines—will reflect the opinions of the editorial staff, but there will also be room for the opinions of others."

The price of the new weekly is 300 zloties.

PRON Discusses Sociopolitical Situation

LD2210214288 Warsaw PAP in English 1947 GMT 22 Oct 88

[Text] Warsaw, Oct. 22—The Presidium of the Executive Committee of the PRON (Patriotic Movement for National Re-birth) National Council met here today. The meeting was presided over by the movement's chairman Jan Dobraczynski.

After discussing Poland's socio-political situation the participants agreed that PRON, striving to broaden the plane of national agreement, fully supports the attempts undertaken to gain and incorporate into this process milieux, groups and persons who have hitherto stood back or who included themselves among the opposition.

The Presidium stated that since the preparations for the greatly expected "round table" meeting are nearing an end concern is aroused by the attempts of dominating these preparations by personal interests and pre-judging the results of the talks before their start.

The PRON Presidium expressed the hope that the "round table" would group people who—though they are divided by many things—are linked by the supreme good and observance of the systemic realities and the legal order currently in force and that they would jointly debate on issues of supreme importance for Poland, for its future: On the model of public and social life, on the model of the economy and the shape of the trade union movement and that concern for the joint matters of the motherland would facilitate the overcoming of differences and would allow to achieve a historic compromise.

The Presidium also adopted a stance on the economic situation of Polish families, the majority of which have to cope with difficult conditions of everyday existence. There is a disparity between the evaluations presented hitherto in official government documents and society's perceptions.

This raises justified concerns that the socio-economic policy which is being realized does not take into consideration the true realities of the families' situation, it said.

The solving of problems should be based on an analysis of the situation and needs of households. The PRON Presidium decided to devote a special session of the national council to matters connected with the situation of the Polish family. The motions, conclusions and proposals, gathered by the PRON, will be presented to the government.

The Presidium hopes that this will enable the creation of conditions for gaining society's support and its activeness for the shaping of the desired transformations connected with the implementation of the economic reform.

Baka on Economic Consolidation Plan

AU2110142188 Warsaw TRYBUNA LUDU in Polish 19 Oct 88 p 2

[PAP report: "Wladyslaw Baka Statement—The Provisions of the Consolidation Plan Are Binding on Party Members"]

[Text] One decision of the Eighth PZPR Central Committee Plenum was to prepare a national economy consolidation plan. The provisions of this plan were one of the main subjects of Tuesday's PZPR Politburo session.

How did the Politburo assess the plan's conformity with the Eighth Plenum's economic objectives? PAP asked Wladyslaw Baka, Politburo member and Central Committee secretary, for a reply to this question. This is it:

[Baka] There is complete conformity, and that is what the Politburo thought. However, the Eighth Plenum guidelines concerning this plan have now been put into more concrete terms. The provisions of the economic consolidation plan, examined and approved by the Politburo, form a commitment and an inspiration for party members in order to pursue a given line of economic policy. This applies particularly to PZPR members in the government, but it also applies to PZPR factory organizations, for whom the plan will be a valuable source of information on the party's economic objectives and on the ways of attaining them.

These objectives can be divided into two groups; current ones, attainable within a relatively short period; and long-term ones. The first group includes improving the state of the market and consumer services, as well as all services rendered to the public by administrative and professional service bodies. This group must also include a clear improvement in housing construction. A breakthrough in this sphere requires more time, but one has to start now.

The long-term objectives are basically a continuation of the economic reform goals, in other words balancing out the market, both the consumer goods market and investments market. Changes have to be made to housing regulations, so that more accommodations can be constructed more quickly, and so that those regulations that block a rational use of existing housing substance and human initiative in this regard can be eliminated. There is no reason why market principles should not govern the housing economy as well.

The plan also calls for changes in environmental protection, which it deems to be a basic human value that is difficult to replace.

These social objectives involve strict methods of attaining them. These methods can be divided into seven groups.

First, a reallocation of the factors of production and a rational use thereof. Above all, we must reinforce agriculture, the food economy, and housing construction, and direct resources so as to save in fuel and energy consumption and to achieve scientific progress. This means having to alter investment programs and create extra reserves by abolishing inefficient economic spheres and transferring the reserves from these spheres to those that are high on our list of priorities. We should make economizing on fuels and energy a harsh necessity. We should make it compulsory to improve technology and discontinue energy-intensive production.

The second group involves debts. Debts are an economic and psychological burden on Poles. We want to tell our creditors that we do want to discharge our obligations, but we can do so even better if credit relations with Poland are brought back to normal and our economy receives greater imports, as a result of which the country will be capable of producing and exporting more and, as a result, spending more on economic development.

The third group of methods involves an encouragement of enterprise and initiative in all economic sectors by creating equal conditions of activity in each sector. It also involves a return to the principle of independence, self-management, and self-financing, which in fact is a return to the original principles of the reform.

The fourth group of methods involves improving and stabilizing the economic system. Such a system should make it clear to enterprises whether or not they are giving the economy more than they are taking from it.

This fourth group is closely linked to a fifth, which calls for fundamental changes in the shaping of prices and incomes. It is equally important to curb the growth trend in incomes. To this end, all the mechanisms involved in shaping incomes must be reviewed and adjusted.

The sixth group involves an entire series of measures designed to create market principles in the economy and strengthen the zloty.

The seventh group contains a package of measures that can be described as ways of creating an efficient system of control over the economy. All these measures have been given strategic importance in the plan, and must be given a precise definition therein. It is also important for the plan to be understood and supported by society. Numerous disparities, caused by differences between the parochial interests of milieus, may appear during the plan's implementation. It will be essential to overcome this parochialism for the sake of supreme objectives. I wish to stress that the Politburo recommended that the national economy consolidation plan be a topic of the "roundtable."

Transcript of Urban 25 Oct Press Conference

AU2810120688 Warsaw RZECZPOSPOLITA in Polish 26 Oct 88 pp 1, 4, 5

[Transcript of press conference by Government Spokesman Jerzy Urban at the INTERPRESS Center in Warsaw on 25 October]

[Text] Government Spokesman Jerzy Urban's weekly press conference took place on 25 October. First of all, he presented the authorities' suggestions concerning the "roundtable." Here is the transcript.

[Urban] We propose to hold preparatory meetings on 26 October, which would be attended by General Czeslaw Kiszczak and Lech Walesa, among others. Once the composition and rules of the "roundtable" have been agreed on, we propose to open the "roundtable" plenary talks at the Polish Academy of Sciences building in Jablonna on 28 October. The round table itself has already been delivered there.

Once again we ask Lech Walesa to stop refusing to take part, and to meet with General Kiszczak. On the morning of 23 October, Radio Free Europe and other radio stations said that Lech Walesa had refused the offer to take part, saying that it was pointless.

We are puzzled by this refusal. It is better to agree on everything prior to the "roundtable" than to squabble during it. Besides, it is difficult to forecast the outcome accurately if such stubbornness is manifesting itself beforehand. After all, we are dealing with a historic compromise on the political paths of Poland's development, the system of authority, cooperation in overcoming economic difficulties, and the removal of the burdens of daily life.

If one of the chief partners of the future compromise refuses even to discuss issues that are necessary for the "roundtable" to begin in the first place, in other words he refuses to agree on matters of procedure and personnel, this does not augur well for the possibility of an accord on matters of fundamental importance for the country.

We are holding out our hands. However, the word "no" is appearing too often in replies to our efforts to reach an accord. Persons belonging to what we consider the constructive opposition have refused to cooperate with Premier Rakowski in the new government. Now, Lech Walesa is refusing to take part in talks that really are necessary in order to set the "roundtable" in motion. Why does he not want to take part? What is the purpose of this delay tactic? He does not even bother to explain.

We have presented to Mr Walesa our proposal concerning that part of the "roundtable's" participants consisting of representatives of the authorities, trade unions, political parties, the Catholic associations that form part of PRON and the Sejm, and distinguished nonaffiliated persons. We are interested in seeing whether there are any proposals concerning the remaining participants.

We have also received, on behalf of Lech Walesa, a list of several dozen participants. Two names are controversial. We wish to explain why.

Whoever represents one of the remaining groups at the "roundtable" is not a question of personal prejudice or a desire by the authorities to impose its views. We have said that it does not matter where one comes from; what matters is what he he brings with him. We have proposed that an accord on a constitutional basis should be sought at the "roundtable." In one of his latest interviews for a Western station, Mr Jacek Kuron clearly said that he would like to eliminate from public life anyone who takes part in the "roundtable." He said that without a "roundtable," the authorities would be overthrown immediately, and that if "Solidarity" were to be reinstated at the "roundtable," the authorities would be overthrown gradually. I repeat that if the "roundtable" is to be successful, the talks aimed at reaching a compromise-like accord must take place between people who, though they hold divergent convictions, desire to reach an accord on the basis of constitutional political principles and do not call for confrontation. Talks with people who hold views discordant with the aims of the "roundtable" are pointless, because an accord with them is impossible.

In another of his interviews, Jacek Kuron was asked for his stance vis-a-vis the constitutional principles that define the Polish raison d'etat. He refused to do so, saying that the authorities themselves ignore the Constitution, so he would not adhere to it either. That is the accusation being addressed to the state authorities at a time when a special Constitutional Tribunal is examining even the smallest deviation from the letter and spirit of the Constitution and other laws. Participation in the "roundtable" will be impossible on such a confrontational basis, because it cannot achieve any results.

Therefore, we wish to propose that the attitudes and intentions of every single participating side be unequivocal. At the conference of worker aktivs, Wojciech Jaruzelski recalled the basis for "roundtable" participation presented by General Kiszczak, and said: "We do not agree to talk to those who undermine our state's constitutional-legal system."

If Jacek Kuron and Adam Michnik really wanted to take part in the process of reconciliation, nothing would prevent them from saying in public that they respect and will respect the constitutional order and that their intention henceforth is national accord, not dispensing threats and poisoning the atmosphere.

I think it is reasonably clear that we want to discuss the "roundtable's" political scope with Lech Walesa, because this is no trifle. The composition of the "roundtable" will define the political scope of the national accord that we want to establish. We have never made it a secret that we exclude accord with extremist anticonstitutional forces that favor confrontation.

Not much is needed for the "roundtable" to begin on 28 October. We ask that agreement not be impeded and that the talks not be delayed.

Now for some polemics. UPI has reported Lech Walesa as saying that the disturbances in Gdansk, the ones that started in St. Brygida's Church and ended up with stones being thrown at the militia, were provoked by party hardliners. "Apart from that, I think Urban and a few others are doing all they can to torpedo the talks," he added.

This is a new interpretation of events that discredit those "roundtable" partners that used to belong to "Solidarity" and shift the blame for the deeds of extremists on some mythical party hardliners. One of these days, I will find out that I myself led the young men in Gdansk when they threw stones at the militia, helped set up barricades, called for the hanging of my fellow communists on trees, and inspired the 13 October Warsaw reconciliation between, on the one hand, groups of former "Solidarity" members due to take part in the roundtable, and, on the other hand, the Confederation for an Independent Poland and "Fighting Solidarity," conspicuous adherents of confrontation.

TRYBUNA LUDU is accused of conducting personal attacks, and yet the very persons who voice these accusations claim without any justification that Urban is a hardline opponent of accord.

The groups with whom Messrs Bujak, Geremek, and others reached an agreement on 13 October, before the "roundtable," are in a class of their own. The underground journal "Fighting Solidarity," in an issue dated 4-18 September, carries a call for ceaseless strikes. There is an article called "Who is meant to discuss what at the roundtable," and this article has a dirty taste; it suggests a death sentence for "roundtable" participants for breaking the agreements concluded beforehand. "Fighting Solidarity" is a conspiracy based on military rules and programs that involve the use of strikes in order to overthrow the existing system. If necessary, this organization is ready to use force, so they say.

The Confederation for an Independent Poland is an agency of militant anticommunism. Since 1983, it has been a member of various anticommunist and anti-Soviet leagues and blocks created by extremist elements in the United States. It cooperates with Ukrainian nationalist emigre circles and with "Fighting Solidarity." It encourages "ruthless clashes of forces"—those are the words of its leader, Leszek Moczulski.

I do not know how agreement can be reached at a "roundtable," because some of the activists associated with the old Solidarity union undertook to represent the Confederation for an Independent Poland and "Fighting Solidarity" at a "roundtable" on the basis of a joint declaration that was signed on 19 October.

A compromise at a "roundtable" will only be possible and lasting if the various moderate forces that favor reform conclude an agreement that distances them from their own extremists.

Western foreign language radio stations have recently been broadcasting alarming reports about the situation in the Pomeranian Bay, about incidents that are said to have taken place, and about difficulties being experienced by vessels in the approaches to the ports of Szczecin-Swinoujscie. The implication is that the question of the territorial waters belonging to Poland and the GDR has not been solved, and that this is having a negative effect on the economic situation in the Pomeranian Bay. They have resorted to misrepresenting statements made by representatives of the Polish authorities, including the Ministry of Foreign Affairs' press spokesman.

I would like to stress that the talks that are taking place between the two sides are guided by a desire to reach agreement, to respect the interests of the other partner, and to solve the question to the advantage of shipping as well as other areas of the maritime economy. The demarcation question concerns the boundaries of territorial waters, fishing rights, and the continental shelf. This is a complicated matter in which the principles of international law must be taken into consideration. The leaders of both countries have reached agreement about the principles on which the negotiated settlement of the issue must be based. Talks between experts from both countries are in progress. The next meeting will take place at the beginning of November.

It is obvious that work on a negotiated settlement must take place in a calm and businesslike atmosphere and must involve experts. Negotiations cannot be held in an atmosphere in which emotions are stirred up by the mass media. Negotiations take place behind closed doors all over the world, and this should not come as a surprise to anyone. This is something that Premier Rakowski recently said with reference to the Pomeranian Bay. Of course, I do not have to add that shipping is operating normally in the Pomeranian Bay and that there have been no incidents or disruptions, which means that the maritime economy has not been negatively affected.

At a previous press conference, Mr Matti Hoviseppa, who writes for the Finnish publication KANSAN UUTISET, asked how many people had opted to perform alternative service, having availed themselves of the new regulations that permit people to perform alternative service if they so wish. I said that a couple of hundred people had done so, but I was unable to provide a precise figure. I can now tell you that 764 such requests have been submitted. Religious convictions were cited by 314 people and other moral principles were cited by 450 people. The appropriate commissions have examined 705 applications so far. The requests have been granted in 485 cases—168 cases involving religious convictions and 312 involving other moral considerations.

People whose requests for alternative service have been rejected have the right to appeal to voivodship recruitment commissions. A total of 60 people whose requests have been rejected have lodged such appeals, and these appeals are now being considered. The rest, that is the majority of those whose requests were turned down, have not lodged appeals.

Those 450 applicants who have received positive responses will begin their auxiliary service on about 20 November.

At a recent press conference I referred in a somewhat humorous vein to two priests who have unofficial military ranks, that is, to General Bernard Witucki and Father Jankowski. In light of what I said, I received a telegram from Father Witucki that says the following: "I received the rank of brigade general of the Polish Armed Forces for military services performed in France from a representative of the minister of national defense of the Polish Government on 1 January 1945. I submitted a copy of the relevant document to the appropriate PPR authorities. The beer-house assessment of my person that was made on television makes the citizen in question suitable for some public house but not for the public office of spokesman of the Polish Government—General Bernard Witucki, general of the Polish Armed Forces."

This rather disturbed me, so I rushed off to find out what documents had been submitted to the authorities. I received the following information about Father Witucki.

The priest, who was born in 1918, received the rank of captain in the Podhalanski Fusiliers Brigade on 14 May 1940. He attended a seminary in France and was ordained in the summer of 1945. He returned to Poland in 1948. On 15 May 1968, the minister of national defense, our defense minister, made him a Lieutenant-Colonel, the rank being made retroactive to 1948. This was connected with his active involvement in the work of the veterans organization, that is, the Union of Fighters for Freedom and Democracy.

On 20 April 1970, on the occasion of the 25th anniversary of the victory over fascism, the priest received a letter from the Federation of Allied Veterans in Europe—its headquarters are in Paris—informing him that "the Supreme Command of Allied Armed Forces, European Domestic Front, had promoted him to the rank of Brigade General." The certificate carries the note series 1145, number 3.

On 30 May 1970, Father Witucki informed the Ministry of National Defense about this, and sought to have the rank recognized. He did not, of course, succeed.

In a word, this confirms the validity of what I said, that this promotion is something out of an operetta and that it was awarded by some strange organization in 1970. I would like to add to this that on 1 January 1945 the priest was a 26-year-old captain, and that it is unlikely that he would have been made a general by any authority. I am saying all this in order to avoid another libel suit.

Next, on 19 October French radio's international service, following similar reports from REUTER, cited an organization called the Human Rights Defense Commission in a report on that last, and one and only political prisoner in Poland, a certain Adam Hondysz, who was allegedly sentenced in 1984. I would like to say that this information is false. There are no political prisoners in Poland. Adam Hodysz is a former functionary of the voivodship office of internal affairs in Gdansk, and he was sentenced to 6 years imprisonment for bribery, that is, for a common crime. That is to say, he was sentenced for accepting bribes. This kind of deed involves court action and is punished in every country in the world. Moreover, if this kind of offense is committed by an employee of the state, a policeman, it is viewed very harshly by courts all over the world, as all countries want to fight corruption in an apparatus that is meant to enforce the law.

A few more polemics:

I would like to discuss a few articles about Premier Rakowski and the new Polish Government. The Soviet LITERATURNAYA GAZETA has said in a dispatch from Poland that commentators were curious about the fact that instead of choosing a professional economist or economic aktivist for premier, someone had been chosen who was responsible for ideological problems inside the party. "Apparently, that was the requirement," writes LITERATURNAYA GAZETA, commenting on Rakowski's appointment.

I am puzzled that views like this appear. With my knowledge of the backgrounds of heads of government throughout the world, I think one could not find anyone as well prepared for this office as my current boss, a man with such a colorful path leading to power.

Rakowski comes from a farming family. He worked on a farm, then he was a laborer in Poznan, then he was a career officer in the Polish Army. After this, he worked in the party political apparatus. Later he studied the history of international relations, and earned a doctorate by writing a book about the history of social democratic movements in Germany. Later he was editor-in-chief of POLITYKA for almost 25 years and at the same time he was a party aktivist at central level and performed specific services. To be more exact, he was the Polish authority's unofficial envoy to foreign talks, mainly in the West, where such an unofficial role was called for.

Later, W. Jaruzelski made him deputy premier in his government, where he held a joint managerial position. Then he became Sejm vice marshal, and a Sejm deputy for many years. In other words, he helped manage parliamentary life. He chaired the Socioeconomic Council, which involves itself mainly in assessing the economic situation and economic policy, and also chaired the Society of Economic Initiatives and the Economic Commission of the "Polonia" Society. Then he was Central Committee secretary for a brief period, and finally he was made premier.

If one adds to this his journalistic achievements and the many books he has written, his road to government leadership is a model one from the point of view of his background, which does not justify any of the doubts conveyed by LITERATURNAYA GAZETA from its Polish readers.

On 21 October, in a Jan Repa commentary on Rakowski's Moscow trip, the BBC said: "Rakowski's Moscow visit gives the impression that Moscow still holds the Polish authorities on a tight rein, despite what Mikhail Gorbachev said about every country's right to choose its own methods." In other words, the Polish premier's Moscow trip was viewed as a show of servitude. I do not know if this view also applies to Mr Kohl's visit to Moscow as well. This is an absurd thing to say. It makes international visits look like the paying of homage.

A final comment. In Brighton, in Great Britain, there was a meeting held at the same time as the Conservative Party conference, at which the chairman of the Polish organization "Solidarity with Solidarity," Mr Tadeusz Jarski, real name Jarzebowski, spoke. He said: "Although Rakowski is supposed to be a liberal, he was editor in chief of POLITYKA, a journal with such faithful party people in it that it was not subject to censorship. It is POLITYKA that shows the censors what to do."

While still working for POLITYKA, I always denied that POLITYKA was free of censorship. It was not free of it, except for one issue which was not subject to censorship as an experiment.

But let me quote more of Jarzebowski: "If a so-called liberal like Rakowski enters the scene, then, my British friends, I ask you to be wary. For the sake of world peace, I ask any of you who have influence to pursue the harshest possible policy vis-a-vis this regime, which is more totalitarian than Hitler."

I will not comment on this remark about Rakowski being more totalitarian than Hitler. I will leave it as an anecdote that is so extremist that it is funny.

Andrew Tarnowski, REUTER: Since Walesa has refused to take part in a successive round of preparatory talks, does the "roundtable" have any chance of beginning on 28 October? And why is he expected to take part in talks on the subject of procedures? These matters were discussed at a lower level before.

Urban: Personally, I doubt whether the "roundtable" can start on 28 October without these preparatory talks, because there are various unresolved questions. We need a meeting like this, because talks between intermediaries tend to become very protracted and do not draw to a conclusion easily. It is easier to meet directly and, I hope, reach an accord, than to prolong everything.

Bogdan Turek, UPI: On Thursday, Walesa said that he will alter his selection of "roundtable" participants. How will the government react if Messrs Kuron and Michnik remain in the "Solidarity" delegation?

Urban: The government has just reacted, through me.

Bogdan Turek, UPI: I have two questions. At how many colleges are students still boycotting military training classes?

Why are students who fall under category "E," that is, who are completely unfit to perform military services, obliged to attend these classes, whereas category "E" people who work do not have to undergo any kind of military training whatsoever?

Urban: I do not have a precise figure. The boycott is still in progress in a number of colleges, mainly in Krakow. The situation changes daily, and I did not bring today's information with me. As for your second question, students who fall under category "E," such as female students, are exempt from military training. There is some mistake in these calls that we have been hearing. Students in this category have to undergo defense training, which is the case in schools at lower levels and in various institutions that have an entirely different character. The training involves first aid treatment; conduct in the event of war; protecting oneself, those around one, and one's family in the event of a gas attack or radiation; how to behave when a fire breaks out; how to behave when a natural disaster occurs; artificial respiration, and so on. These are the sort of thing that every person should know about today, for his own good and that of those around him. These classes are not in any sense physically demanding. This kind of training exists all over the world, because it is something that people need today. If it is argued that category "E" students are so ill that they cannot undergo this kind of training, then it could be said that they must be so ill that they cannot assimilate the kind of complicated material that is taught in colleges, and this also suggests that they will not be capable of working at any point in the future. These calls must be based on some kind of misunderstanding.

Bogdan Turek, UPI: Poland will celebrate the 70th anniversary of its independence this year. In August of this year, the authorities decided to strip the Union of Polish Legionnaires of its legal status. Could you explain this decision?

Urban: I do not know anything about this matter, and I would not like to start improvising reasons.

Bogdan Turek, UPI: Could you explain this after the conference?

Urban: I have not heard of any such union, but that is all right, I will look into it.

Waldemar Janiec, PAP (Foreign Service): Mr Minister, Western radio stations have been reporting that the authorities have gone back on their previous decisions concerning a "roundtable," namely, that Lech Walesa could invite half the people who would attend a "roundtable." Is this not making it more difficult to begin the session?

Urban: No decisions of this kind were made. Mr Onyszkiewicz submitted a statement to the Western press in which he said that Lech Walesa's colleagues should comprise one half, and not one third of the people attending such a meeting.

These grievances are surprising. After all, the "roundtable" is not meant to be a meeting involving just two sides, that is, Lech Walesa and his supporters and general Czeslaw Kiszczak and his colleagues. Of course, it is true that when trade union issues are being discussed, it is envisaged that trade union activists and Lech Walesa and activists connected with him will be represented in equal numbers. On the other hand, various forces, communities, and people are meant to be represented at a "roundtable." One can expect representatives of the PZPR, the ZSL, the SD, PRON, the OPZZ, Christian associations, the main social organizations, politically independent people who enjoy outstanding influence, and representatives of the church. We remember 1981, when our initiatives at reaching accord, such as the Accord Council, did not produce any results, as Solidarity at that time only wanted to talk to the authorities and ignored ZSL members, democrats, representatives of the trades, and representatives of other sections of society. People talk contemptuously of not wanting to speak to the unions of canary fanciers [zwiazki hodowcow kanarkow] so-called satellite parties, like what is now the 7-million-strong trade union movement, which performed an outstanding role during the cabinet crisis, are called regime organizations.

The "roundtable" is meant to reflect the political and ideological diversity that exists in Poland. None of the forces invited to it should maintain that it represents society. Ambitions of this kind run counter to the idea of pluralism, which is something that Mr Onyszkiewicz advocates, after all. Demonopolizing is fashionable in

Poland today, and this also applies to the opposition's claims with respect to political monopolies. I repeat, the invitation was to a round and very varied table, and that was the invitation that was accepted by Mr Walesa and his supporters.

Renate Marsch, DPA: Mr Minister, you said that intermediaries had not succeeded in reaching agreement, and this means that there has to be another Kiszczak - Walesa meeting. What is the role of a meeting between General Jaruzelski and Cardinal Glemp in this, and when will the next such meeting take place? Could they do something to get out of this impasse?

Urban: Well, I do not think that Mr Walesa and his supporters are children and that they have to be spoken to via guardians. After all, what we are looking for is the simplest path that would enable us to reach agreement about what I described as the most important issues. This concerns the possible extent of accord, because—I indicated this, and general Kisz czak made this immediately clear in his first statement—we do not wish to seek agreement with everybody. We were and are clear and unambiguous about those with whom we can reach agreement. You asked about a meeting between General Jaruzelski and Cardinal Glemp. I do not think that this would in any way provide a means of settling matters relating to people and technical questions. Leaving aside the context of your question, I do not exclude the possibility that there might be a meeting between General Jaruzelski and Cardinal Glemp very shortly.

Renate Marsch, DPA: I have another question. Could you deny or confirm whether such a meeting will take place today?

Urban: I can deny that such a meeting will take place today, as far as I can remember.

John Tagliabue, THE NEW YORK TIMES: Mr Minister, is it right to say that at the present time the only obstacle to talks concerns who would attend them? In addition, do you think it would be possible to hold talks without the participation of Solidarity?

Urban: I think that talks would not make any sense if activists connected with the former Solidarity union were not represented, as there are many other tables, not only the roundtable at Jablonna, at which the remaining participants in a "roundtable" could hold profitable talks with each other.

Is it just a question of who would attend the talks? No, today I quoted Mr Onyszkiewicz's statement reported by REUTER. According to the statement, there is some disagreement about the size of the groups that would be represented, and this is an entirely new issue. The side represented by Mr Walesa and his supporters constitutes the largest group that would take part in a "roundtable"—it would be considerably larger than the groups representing forces that are much more influential. Yes, this is a new issue. There are a number of other issues, and I mentioned them to some of you—those of you that I invited to the government building on Saturday. The issues concern organizational and procedural matters, including press coverage. Furthermore, agreement has to be reached about which side is extending the invitation, questions of etiquette, and what diplomats would call the conduct of the "roundtable." There are a whole number of other issues. They include transportation, food, and communications.

Jackson Diehl, THE WASHINGTON POST: I have two questions: Mr Onyszkiewicz also said that the government had backtracked on the question of subgroups and their representation at the "roundtable," and the number of such groups that would be involved in "roundtable" talks.

Urban: No, the government has not backtracked. There are some differences of opinion about the number of subgroups into which the "roundtable" should be divided. This is one of the issues on which agreement must be reached.

Jackson Diehl, THE WASHINGTON POST: My second question: Is 28 October the only possible date for the start of the "roundtable"? If it does not start on that date, would the government consider the talks broken off?

Urban: No, this is no final date. It is just our suggestion. It is a feasible date in view of the fact that the preparatory talks are still not finished. If these talks lead to an agreement, then the "roundtable" could begin on the 28th. We are not impatient.

Krrzysztof Lewandowski, KURIER POLSKI: In September, you said that the Polish authorities expect Washington to confirm whether Onyszkiewicz was right when he told the press that Reagan had announced pressure on Poland. Has there been an American reply?

Urban: I must explain what this is all about. At my press conference on 13 September last year, I reported on a statement by Janusz Onyszkiewicz made to the Western press following his talk with President Reagan. Onyszkiewicz claimed that the U.S. President had told him that the United States would put pressure on the Polish Government to pursue dialogue.

I expressed surprise at the fact that the U.S. President was announcing the use of pressure on sovereign Poland. I said this would mean a change in U.S. policy toward Poland at a time of a gradual improvement of relations.

I asked publicly whether the U.S. President had really authorized Onyszkiewicz to announce a U.S. policy of pressure, in other words interference in Poland's domestic affairs. I said that American official circles had not dissociated themselves from Onyszkiewicz's statement, and I said that we expect an explanation from the U.S. authorities.

Now I can tell you that the U.S. authorities have responded. U.S. Deputy Secretary of State John Whitehead told Wojciech Jaruzelski: "No, the U.S. President never said that." So, Onyszkiewicz not only was not authorized to announce American pressure on Poland, but he also lied about the stance of the U.S. President.

I am disturbed by the fact that a Polish citizen has made it look as if a U.S. leader is threatening to put pressure on the sovereign Polish authorities.

THE WALL STREET JOURNAL has described Onyszkiewicz as a professor and mathematician of world renown. Although Onyszkiewicz is considered to be a mathematical star, this time he has outshone even the President and attributed to the President words that he did not say. Based on the reliable words of an American official, I say that Janusz Onyszkiewicz manipulated the contents of the talk with the U.S. President to suit his own political intentions.

Matti Hoviseppa, KANSAN UUTISET of Finland: I have two questions. First, could you give us details of yesterday's meeting between Premier Rakowski and OPZZ Chairman Alfred Miodowicz?

Urban: No, I cannot forestall the communique. The purpose of this meeting was to discuss the principles of cooperation between the government and the trade unions, including the appointment of a commission to investigate prices and wages, and to discuss what cooperation between the government and the trade unions should be like before the Third Trade Union Congress.

Matti Hoviseppa: My second question, could you tell us how many students support the Independent Students Association?

Urban: I cannot, but I do not think that the majority of students support it. Judging from the extent of the rallies, I would say that only a minority of students support it.

For example, one rally in a Krakow college organized by this Association in protest against military lectures was attended by 1,000 students, out of a total of 50,000 students in Krakow. Of these 1,000 students, only 5 percent spoke out in favor of abolishing these lectures.

But that is not the answer to your question. It is merely an accompanying reflection.

Luigi Sieninazzi [spelling as published], AVVENIRE: Has the government officially proposed 26 October to Walesa as the date of the meeting with General Kiszczak? If so, when did it make this proposal?

Urban: Today. I made the proposal. I mean, the proposal is not new. I have merely taken the liberty of proposing this date. I am not sure if this date has already been conveyed to others via other channels. It is likely.

Alma Kadragic, ABC: This is the first time the government has expressed the need for a meeting between Kiszczak and Walesa. By repeating this today and giving an exact date, do you not think you have made it into an ultimatum which Walesa might not accept? Perhaps it would have been better to say that these two gentlemen ought to meet before the "roundtable," for example on 27 October?

Urban: I said that if we propose that the "roundtable" should start on the 28th, then the preparatory talks should start on the 26th. Please do not suggest that I am making an ultimatum, because an ultimatum is a form of expression in which something is demanded. So please do not confuse an invitation with an ultimatum. This manifests a tendency that later appears in the Western press—the tendency to exaggerate and dramatize the situation and poison the atmosphere.

Alma Kadragic: So as to explain the doubts raised by this question and the answers to it, and so as not to add excessive drama to our reports, let us explain what the situation is really like. If this preparatory meeting does take place on 26 October, will the government be determined to have the "roundtable" commence on the 28th? Do you think it possible that the government may view the 26th October preparatory talks as ineffective and decide that 28th October is too early for a start of the "roundtable?"

Urban: Madam, your interrogation is a little too complicated for me. The truth is much simpler. We are not imposing a precondition for the "roundtable" to begin. The preparatory talk is a practical necessity, and we believe it would dispel differences and permit the "roundtable" to begin. We are very upset that the matter is dragging on ad infinitum and that our potential partners are constantly coming up with new objections and desires. Right now, the desire for parity at the "roundtable," in other words, Mr Walesa and his entourage on one side and the same number of remaining participants on the other side, seems odd. After all, we are talking about an accord on a future political model for Poland, a future system for the state authorities, and the methods of reaching an agreement on how to overcome economic difficulties; as well as an accord on trade union pluralism. In other words, matters so serious that it would be bad for me to say that, if you do not come on the 28th, we will be upset and will not wish to talk to you. This date is quite simply a realistic date. Later, Mrs Thatcher will come, and then there are a host of other appointments in our diary, and thus the whole business will be delayed.

Deborah Steward, NEWSWEEK: I would like to know something rather more concrete. Who of the authorities is opposed to Mr Michnik and Mr Kuron taking part in a "roundtable?" Is it a question of the OPZZ, the party, or General Kiszczak personally being opposed to their involvement? That is, who exactly opposes them? The other thing is, what do the authorities fear would happen if Mr Michnik and Mr Kuron were to be seated at it?

Urban: I provided an extensive explanation to your second question—if you did not catch everything that I said, then the written text of my statement, which was prepared beforehand, will be made available after the conference. As for the question of who is opposed—the party and state authorities are those who extended the invitation to the "roundtable."

Stefan Dietrich FRANKFURTER ALLGEMEINE ZEITUNG: Has the Solidarity side already had an opportunity to acquaint itself with the full composition of the government-party delegation? And does equality at the "roundtable" also mean that Mr Walesa will have an opportunity to express reservations about the composition of the government-party delegation?

Urban: Yes, they have been able to familiarize themselves with our proposals. I did say that we are waiting for possible observations or suggestions.

Krzysztof Bobinski, FINANCIAL TIMES: I would like to ask why the authorities think that a small roundtable on associations is not necessary? I would also like to ask how long consultations on the draft law on associations will take?

Third, will the association of self-management activists be represented at the "roundtable?"

Urban: We will not be holding talks on the subject of small roundtables with the help of journalists and the government spokesman, because this is something that participants in a "roundtable" must reach agreement about themselves. I can say that the question of associations has reached such an advanced stage that it does not seem to be something about which there could be disagreement and which would require a special discussion group.

The draft law on associations has already been discussed with church officials. The government is planning on the broader, public debate that you asked about—a debate that would include existing associations—lasting a month. This is the shortest possible period permitted by the law on consultations. What is important is that the law be passed by the Sejm before the end of this year.

You asked about an association that I do not know, that I have never heard of. There are thousands of associations in Poland. As far as I know, some of them, that is, those that are of particular political importance, are represented in, for example, the Sejm, and they have been invited to the "roundtable."

Krzysztof Bobinski: Well, to put it another way—it is a question of self-management representation. As the unions and the authorities are to be represented, but there is no sign of self-management bodies.

Urban: I hope that once the list of participants in the "roundtable" is published, you will be able to see that representation will be extensive in every sense.

Godula, INTERPRESS: Let us leave the "roundtable" for a while. Last week you spoke about vestiges of Stalinism that are still strongly embedded in our political, social, and economic lives.

Could you tell us specifically in what spheres this Stalinism still remains? After all, we have to know what we are fighting against.

Urban: I think this is an interesting subject for a seminar or for the PZPR ideological conference. But you overrate my role. I do not feel up to the task of making a complex sociopolitical analysis of everything that emerged during the era of Stalinism and which distorts the desired spirit of our system in all its spheres. I think vestiges of that era are present everywhere—in the way in which public services function, including the party, economy and state; in public customs and rituals; and in literature, though a little less here.

Peter Johnsson, GOETEBORG POSTEN: At its latest session, the OPZZ Executive Committee rejected the concept of a Council for National Accord with equal OPZZ and "Solidarity" composition. This idea arose at very high party level, and was meant to have been presented at the "roundtable." Could you tell us what the government thinks about this?

Urban: You have made a mistake somewhere. I do not know what you are talking about. The government has certainly not invited "Solidarity" to any talks. "Solidarity" is still struggling for its future existence and wishes to raise this topic at the "roundtable."

Peter Johnsson: I think it is representatives of "Solidarity" founding committees that are involved here.

Urban: Apart from the "roundtable," there is no other forum of talks with "Solidarity."

Jan Dobija, National Public Radio: Only a few weeks ago, it transpired that the government is confused by the political orientation of some of the proposed "Solidarity" delegates. Does that mean that earlier on the authorities thought these political views were more digestible, more prosocialist, or something like that?

Urban: Earlier on, it never entered our heads that Lech Walesa would invite the people you mention to sit at the table. The scope of the political talks which we want to conduct at the "roundtable" was clearly established at the meeting with General Kiszczak. And we never associated these names with a desire for reconciliation and a respect for the Constitution. Nevertheless, we are not rejecting people because of their bad names and because of what they have done in the past and are still doing.

We are open to dialogue with everyone who has made it plain that he wants it.

Renate Marsch, DPA: Did the Moscow talks discuss a reduction in arms expenditures and a possible transfer of some defense industry resources for civilian purposes?

Urban: I know nothing about that. But, to be honest, I have not read the transcript of the talks yet. I only received it this morning.

Waldemar Janiec, PAP Foreign Service: What is happening in the Krzysztof Krol case?

Urban: An indictment has been issued against Krzysztof Krol as follows. While working as a storeman at the National Library from April 1983 to March 1984, Krol stole several valuable books from the library collections, including a Paris edition of "Pan Tadeusz," one of the first editions of this work. This is very valuable today. It was already worth Z280,000 when he worked at the library and presumably stole it. I say presumably, because the case is still at the indictment stage. Today the book is worth much more.

The National Library reported the theft to the Prosecutor's Office. Krol offered to sell two books to an antiquarian bookshop in Ujazdowska Street. The bookshop had reason to suspect that the books originated from the National Library. One of the books the antiquarian bookshop was offered was the "Pan Tadeusz."

An employee at this bookshop confirmed that Krol came to the shop and attempted to sell these books. It was noticed that the books bore signs of the National Libray seal, which had been scratched off. Another employee quoted the price which Krol had named. The bookshop recorded Krol's personal details, his address, identity card number, and so on.

Next, the two employees identified Krol. A careful analysis revealed that the books had indeed had their National Library seals scratched off. In the end, an investigation at the National Library revealed that these books had in fact disappeared from there. Various library employees testified that Krzysztof Krol used to hide in the storeroom. Of course, he was locked in the storeroom accidentally, but he should not have remained in it while the door was being closed. We assume he wanted to stay shut in the storeroom so that he could steal the books. There are many of these stolen books. I will try to summarize the indictment, which is quite long. Many witnesses have been interviewed. It transpires that, while working at the library, Krol was engaged in carrying or transporting books from the storeroom to somewhere else, and that he was not authorized to enter the storeroom at all, because the books used to be handed to him. Nevertheless, he did enter the storeroom. One library employee said that after she had sealed the door of the storeroom, she heard someone inside the room, and established that it was Krzysztof Krol. Another employee said that Krol had tried to get himself locked in the storeroom twice, with no attempt to attract anyone's attention. Well, in any case, all this looks like theft, because no one actually saw it. All this will be put to the courts.

Krol has not denied the charges and did not defend himself against the accusations. He simply kept silent.

Marzenna Guz, Radio Polonia: What stage has organizing the "roundtable" reached? Have the agenda, order of speaking, and length of time of the whole talks been agreed upon?

Urban: No; all this has yet to be discussed.

Zbigniew Satala, GAZETA KRAKOWSKA: At his first press conference, Premier Rakowski said he was going to let his colleagues in the government deal with the "roundtable," while he himself would see to it that Poland is ruled by a full table. Could you explain?

Urban: I think it is too early to answer such general questions. But please do not think Premier Rakowski will wave a magic wand and a table laden with food will appear in every Polish home. The problem is not just food. Not until later will it be possible, I hope, to talk about the Rakowski government's success in changing the Polish economic situation for the better to some extent.

Right now, however, the government is already displaying determination in abolishing various barriers to the efficiency of enterprises, barriers that prevent more meat and cold cuts from appearing on Polish tables. That is the purpose of the demonopolization of the food procurement and trade market which the government has announced.

Stefan Dietrich, FRANKFURTER ALLGEMEINE ZEITUNG: Right now we are almost totally deprived of telephone links with the FRG. When Gorbachev came to Poland, it was possible to telephone to the FRG, and not just through the journalists' switchboard, but directly. Right now it is worse than at any time in recent years. Even at 0400 every single international line is engaged, or allegedly engaged. What is the purpose of intimidating people in this way?

Urban: I am surprised by your suggestion that these troubles are deliberate. This is not a timely accusation. I am frequently unable to get through to next door. That is how Warsaw telephones work. But I do not deduce from this that some dark force is sabotaging my social contacts. Really, please refrain from uttering such nonsense.

No one wants to make it difficult for you to get through to your country. No one in Poland is disrupting connections with any country, if these connections are technically possible.

Paper Assesses Thatcher's History

LD2810152988 Warsaw PAP in English
1455 GMT 28 Oct 88

[Text] Warsaw, Oct. 28—ZYCIE WARSZAWY comments today on the political activity of British Prime Minister Margaret Thatcher over the recent decade and says in part:

"The Polish-British relations are marked by historical experiences, ties of alliance and joint fight during the 2nd World War but also by bitterness stemming from the assessment of Great Britain's impotence in 1939.

"These relations are traditionally rich in the cultural area and important for Poland in the economic field (Great Britain is Poland's second Western trading partner after the FRG). At the same time they are determined by realities of the contemporary geopolitics, affiliation to different alliances and ideological formations.

"Realism dictates seeking points of contacts between the two states in constructing a safe 'European home', lowering the scale of armaments, cooperation in removing global threats and decreasing the level of armaments. Being Poland's fifth creditor, Great Britain can—in its own well-understood interest—meet halfway the Polish policy of reforms and qualitatively higher economic cooperation with the West including England."

Polish TV Shows Thatcher's Documentary

LD2910093788 Warsaw PAP in English
0044 GMT 29 Oct 88

[Text] Warsaw, Oct. 28—In its weekly programme "Czas" (Time) the Polish television tonight featured a documentary film titled "3,500 Days of Margaret Thatcher" which was an attempt to present the origins and determinants of the British Government policy under her leadership.

The film showed the good and bad sides of the present-day economic boom in Great Britain. The price of the economic success is the crisis in many domains of social life such as health service, education, firm growth of unemployment which at certain point hit 3.5 million people.

Mrs. Thatcher tries to gradually eliminate trade union members from local authorities, while high unemployment decreased the strength of organized workers. The prime minister in fact does not consult national trade union authorities on important issues. She is particularly well-disposed towards "Solidarnosc" when it concerns Poland but at home she applies a different measures.

Rakowski on Significance of Thatcher Visit

LD2910084088 Warsaw PAP in English
0030 GMT 29 Oct 88

[Text] Warsaw, Oct. 28—The first question put to premier Mieczyslaw Rakowski by one of the British journalists who arrived today to the Council of Ministers office for a meeting with the head of the Polish Government was what significance does the visit of Prime Minister Margaret Thatcher have for Poland.

"This is the first visit of a British prime minister to Poland and from that point of view alone it has big importance," Prime Minister Mieczyslaw Rakowski replied. "I think that it is also important that Mrs. Thatcher will get acquainted with the Polish leadership and their way of thinking. I am assuring that she will listen with attention to what we will tell her about the internal situation and our reformative intentions. Such are our expectations," Rakowski replied.

Asked what the Polish premier would like to adopt from Margaret Thatcher's approach to economic matters, Rakowski said: "I would first of all adopt her determination with regard to unprofitable enterprises and industrial branches. I cannot rule out that following the talks with Mrs. Thatcher I will become more firm on these matters.

The meeting, a kind of press conference of the premier, was an occasion to get the British journalists acquainted with various aspects of Poland's social, political and economic life.

West Blames Government for Roundtable Delay

LD2810142188 Warsaw PAP in English
1322 GMT 28 Oct 88

["TRYBUNA LUDU on 'Will of Talks and Agreements'"—PAP headline]

[Text] Warsaw, Oct. 27—In an article under the same headline today's TRYBUNA LUDU wrote: "Preparations for the inauguration of the (round table) talks are being delayed. The principles of struggle adopted by the political opponent have been expanded—which one can all too clearly hear in the Polish-language broadcasts of Western radio stations—by blaming the government side for this state of affairs, of course, if one assumes that there are sides at the Round table.

"It must be recalled that the initiative of the talks, born during the 6th PUWP CC Plenum, a number of fargoing political gestures of good will failed, so far, to receive any significant response. It was possible to sit down at the joint table without any preconditions and taboo subjects much earlier. Such were the wide public expectations and hopes on the initiation of talks on Poland's future with the participation of all the important political forces, even those whose opposition character evoked doubts as to the scope and extent of openness.

"The initiator of the talks, General Czeslaw Kiszczak, invited all those, without looking back at the recent history, who today stand on the grounds of legality, whose political rhetoric shows that Poland's matters, its development and strength constitute a superior value in relation to political orientations and stands.

"This is also proof of a specific type of humble attitude of the authorities and not an expression of the conviction of their own omnipotence, representing all and everything. For no representation sitting down at the 'round table' can regard itself as representative of the whole of society. Such self-recognition might be the first step towards crossing out the idea which the 'table' is to serve.

"The 'round table' cannot become a prop of Polish political folklore, another wasted chance for agreement having the widest possible social roots, agreement reached at the 'round table' bearing fruit in work establishments, social groups, etc."

Whitehead on Government Talks With Opposition

LD2110023988 Warsaw PAP in English 2109 GMT 20 Oct 88

[By PAP Correspondent Ireneusz Lukasik]

[Text] Brussels, Oct. 20—U.S. Deputy Secretary of State John C. Whitehead presented his impressions from his just concluded visit to six socialist states, including Poland, to the NATO Council here today.

Speaking about his visit to Poland, Whitehead drew attention to the fact that the government and the opposition agreed on joint talks on the subject of wide-ranging and deep reforms which are indispensable for the achievement of an improvement of Poland's economic situation and national renewal. Though all parties of the planned dialogue are very suspicious, Whitehead said, he nevertheless perceived that there was a sufficient dose of good will for the talks to begin.

John C. Whitehead added that the road would be long and bumpy. He said that the events which took place in Poland after his departure showed once more that the United States wished to support the reforms and that this support would grow once the reforms bore fruit.

PZPR Deputy Wojna on Relations With FRG

AU2010160188 Hamburg DIE WELT in German 20 Oct 88 p 8

[Bernt Conrad report: "'To Make a Political Decision on Kohl's Visit'; Political Functionary Sees Chances of Better Relations"]

[Text] Bonn—The Polish Government is ready to disregard "trivial details" in order to advance relations between Bonn and Warsaw in a decisive political stage. According to Polish politician Ryszard Wojna, this "signal" is the point of the passages addressed to Bonn in the policy statement of the new prime minister, Mieczyslaw Rakowski.

Wojna, deputy chairman of the PZPR Deputies' Club in the Sejm, said that the present stage of reforms in his country is especially favorable to the improvement of FRG-Polish relations. In an interview for DIE WELT, he proposed to revise the proceedings for the preparation of the chancellor's visit to Warsaw, which so far have not produced any results. As the experts, who work in three groups, have apparently not made full use of all opportunities, for the time being political decisions should be made, and then be given substance by the experts.

In answer to the question of who should make the political decisions, Wojna said that the foreign ministers, but also Chancellor Helmut Kohl and Prime Minister Rakowski are eligible; head of state Wojciech Jaruzelski is also interested in this issue. In any event, a visit by Kohl will being about a turn. It need not necessarily be prepared by experts; there are also other ways.

It is remarkable, the Polish politician continued, that Rakowski's first decision as head of government was to retract the bill on foreign investments. The respective decision was to be taken at the same Sejm session in which Rakowski was elected. The bill which is being prepared now will contain more favorable provisions for foreign investors.

According to Wojna, the present development in Poland does not constitute a new crisis but an "enormous chance" to get rid of the concept of bureaucratic Stalinism. By legalizing the opposition and creating new political instruments in which the opposition could work toward its targets, completely new courses are taken.

The party's leading role must now lie in implementing the transition from an authoritarian style of government to a socialist democracy in Poland. This means that the future backbone of the system should no longer be the party, but elected organs and institutions which represent the wide spectrum of public opinion. "Such a socialist system has never existed."

Parliamentarians Denied Visit to Romania

AU3110105788 Vienna DIE PRESSE in German 31 Oct 88 p 2

[Unattributed report: "Romania Stops Visit of Viennese Parlamentarians"]

[Text] Last weekend [29-30 October], the ruling authorities in Bucharest canceled on short notice a visit by a delegation of deputies from Austria. On Tuesday [1 November] the eight parliamentarians were due to begin a visit to those parts of Romania which are threatened by the razing of villages. The planned trip to Romania was initiated by OeVP Floor Leader Fritz Koenig.

In a first reaction, Josef Hoechtl, a member of the delegation, described the cancellation of the visit, which was intended to last until 5 November, as "threadbare." It is proof of Romania's bad conscience, Hoechtl said.

Mozambican Premier Attends Meetings, Activities

Meets Ceausescu, Dascalescu

AU2810205788 Bucharest AGERPRES in English 1850 GMT 28 Oct 88

[Text] Bucharest AGERPRES, 28/10/1988—RCP General Secretary and President of Romania Nicolae Ceausescu received on 28 October Mario da Graca Machungo, prime minister of the People's Republic of Mozambique, now on an official visit to Romania.

The interview was attended by Romanian Prime Minister Constantin Dascalescu.

President Nicolae Ceausescu was handed over a message and was conveyed a warm salute and cordial wishes from Joaquim Alberto Chissano, president of the Frelimo, president of the People's Republic of Mozambique.

President Nicolae Ceausescu thanked and conveyed in his turn a warm salute and the best wishes to Joaquim Alberto Chissano.

During the interview, the atmosphere of which was of warm friendship, emphasis was placed on the fine links between the two parties and countries established as early as the years of the Mozambican people's fight for national liberation and developing continuously, under the new circumstances, in the spirit of the understandings convenanted at top level.

Current aspects of the world political situation were also approached, more particularly those related to the peaceful, negotiated settlement of interstate litigious issues, the establishment of a climate of peace, detente, security, confidence and broad cooperation in the world.

Nicolae Ceausescu reiterated Romania's support and solidarity with the peoples in Africa for the abolition of the racist and apartheid policy, for the safeguarding and consolidation of their national independence, for self-reliant economic and social development.

Mozambican Reportage of Meeting

MB2910064388 Maputo Domestic Service in Portuguese 0400 GMT 29 Oct 88

[Text] Prime Minister Mario da Graca Machungo, who is on a visit to the Socialist Republic of Romania, was received by President Nicolae Ceaucescu yesterday, to whom he delivered a message from Mozambican President Joaquim Alberto Chissano.

The content of the message was not disclosed. Romanian Prime Minister Constantin Dascalescu was also present at the meeting.

Minister Machungo and Romanian President Nicolae Ceaucescu exchanged views on the internal situation in each country and international issues of common interest.

Prime Minister Mario Machungo arrived in Romania on an official visit on 26 October. He will discuss bilateral cooperation issues during his visit.

Visits Farm in Calarasi County

AU2810205888 Bucharest AGERPRES in English 1917 GMT 28 Oct 88

[Text] Bucharest AGERPRES, 28/10/1988—On October 22 in the morning, the premier of the People's Republic of Mozambique, Mario da Graca Machungo, together with the officials accompanying him, visited the experiment farming station Belciugatele in Calarasi County.

The guests were informed of the activity and organizational structure of that didactic farming unit, where students from the "Nicolae Balcescu" Agronomic Institute in Bucharest carry through their practical terms. The results were also outlined scored in plant and animal production, in the improvement of the professional training of agronomists, zootechnicians and veterinarians.

Tours Tirgoviste Municipality

AU2910185788 Bucharest AGERPRES in English 1716 GMT 29 Oct 88

[Text] Bucharest AGERPRES, 29/10/1988—On October 29, Mario da Graca Machungo, prime minister of the People's Republic of Mozambique, and the other officials accompanying him, visited Tirgoviste Municipality, where they saw round two representative economic units—the special steels combine and the local state farming enterprise.

The chairman of the Executive Committee of the People's Council of Dimbovita County gave a luncheon in honour of the Mozambican premier.

Barbulescu Receives USSR Agricultural Delegation

AU2910185988 Bucharest AGERPRES in English 1714 GMT 29 Oct 88

[Text] Bucharest AGERPRES, 29/10/1988—Over 24-29 October, a delegation of the All-Union Council of Kolkhozes of the USSR, led by I.I. Kukhar [name as received], chairman of the council, paid a fact-finding and exchange-swap visit to Romania upon an invitation extended by the National Union of Producer Cooperative Farms.

The Soviet guests conducted talks at the headquarters of the National Union of Producer Cooperative Farms, of the Ministry of Agriculture and of the Olt County Committee of the RCP and visited cooperative farming units and agricultural research institutes and stations in the counties of Olt and Calarasi and in the Ilfov agricultural sector.

At the end of their visit, the Soviet delegation were received by Vasile Barbulescu, secretary of the CC of the RCP.

British Parliamentarians Conduct Talks 28 Oct

AU2810204188 Bucharest AGERPRES in English 1935 GMT 28 Oct 88

[Text] Bucharest AGERPRES, 28/10/1988—The delegation of the Foreign Affairs Commission of the House of Commons of the British Parliament, who are paying a visit to Romania, had interviews on October 28 with executives of the Ministry of Finance and of the Association of International Law and International Relations, as well as at the headquarters of the Central Council of the General Trade Union Confederation of Romania.

Dascalescu Speaks on Growth Since Ninth Congress

AU2610213188 Bucharest AGERPRES in English 1900 GMT 26 Oct 88

["The Ninth Congress of the Romanian Communist Party—a Crucial Moment in the Development of Contemporary Romania"—AGERPRES headline]

[Text] Bucharest, AGERPRES 26/10/1988—In an article run by newspaper "SCINTEIA" of October 26 Constantin Dascalescu, member of the Executive Political Committee of the CC of the RCP, prime minister of Romania, highlights the key moments of the RCP's fight and activity to build the socialist system in Romania after the Ninth RCP Congress of July 1965.

This congress, which was held 23 years ago, is worthy of the name the congress of deep-going revolutionary renewals as, owing to the changes it wrought in the outlook on socialism by courageously removing preconceived ideas, simplistic principles and ideological taboos, it ushered in an epoch of huge qualitative strides in all the spheres of the economic and social life under the strong impact of President Nicolae Ceausescu's daring, innovating thinking, the article shows.

The tremendous significance of the great Communist forum of July 1965 resides, first and foremost, in the in-depth scientific analysis it made of the course of socialist construction in Romania, of the stage of the development of the production forces and relations, suggesting new ways and modalities of action and outlining directions of action in an attempt at placing the process of building of the new system on an ever more ascending course.

The ninth congress also meant the powerful assertion of a new spirit, of a highly scientific outlook on the revolutionary transformation of the Romanian society.

After the ninth congress, the strategy for Romania's economic development was decisively clarified. Against the dogmas and limitative outlooks on the directions and content of industrialization, Nicolae Ceausescu stated from the rostrum of the great forum that by mid'60s Romania was a socialist country that "still has a lot to do in the way of development," a country that had to overcome all the consequences deriving from that situation, the article reads.

Assessing with an exigently critical spirit the progress made and the existing lags, the party general secretary reached the highly realistic conclusion that it was only by maintaining high rates of economic development that the gap separating this country from the advanced counties could be bridged. Henceforth, the outlook according to which socialist construction called for sustained efforts to do away with the state of backwardness inherited from the centuries of foreign spoliation and oppression, and the resolution of important social problems was directly conditional upon the creation of a strong, modern technical and material base. It was on the foundation of that cardinal idea that the programmatic concept of the building of the socialist society in conditions of economic development, the fundamental target of which was the stepped-up progress of the forces of production, was formulated.

Proving that the building of a modern industry was the deciding factor of economic growth, the pivot of the country's general, many-sided progress, the ninth congress militated for the powerful assertion of our people's own economic effort and intelligence, which materialized in the allocation of a substantial part of the national income to development and the promotion of a high rate of accumulation—one of the highest in the world.

A consistent investment policy provided for the building of large industrial units, which led to the growth and rational location of the forces of production throughout the country. The major goal was the stepped-up development of the counties with a lower development level, all while providing for the further rise in the productive potential of all zones and localities. This policy was the material foundation of the assertion of economic equality of all citizens, which actually means true equality of rights in today's socialist Romania. In this respect, the fact is significant that upon the initiative and under the direct guidance of President Nicolae Ceausescu an extensive programme for the development and modernization of Romania's economic and social life by territorial units was adopted for the first time in the economic policy of the Romanian party and state.

In the years that followed the ninth congress, the development of the Romanian economy was conceived both as a long-term process and as a complex, many-sided process wherein the role of industry grows in interdependence with the expansion and modernization of the other sectors of the economy. Against the background of a powerful overall development, special, priority attention was paid to the growth of the branches and subbranches promoting progress in all the areas of the economic and social life, with the creation of a modern, economically highly efficient structure in the offing.

After the thirteenth congress of the party (1984), in line with a general outlook on the intensive development of the Romanian economy—a fundamental feature of the ongoing five-year period—industrialization entered a qualitatively new stage, the definition of which is given by the updating of the structures of industrial production, by the further, priority growth of high-tech branches which superiorly capitalize raw materials, energy resources and social labour. At the same time, technical progress has been promoted in the economy as a whole and a high competitivity of Romanian products in the foreign market has been secured.

The effort for industrialization is also channeled towards the modernization of labour means in the economy so as to provide for the broad expansion of mechanization, automation, cybernation and robotization, as well as towards the continuous improvement of the organization of production and work.

The qualitative stride taken in the Romanian economy in the current quinquennium lies under the impact of high efficiency, a process strongly encouraged by the adoption, upon President Nicolae Ceausescu's initiative, of a new economic mechanism, set on the principles of worker self-management and economic and financial self-administration.

Industry, which for years has developed at a high rate, has turned into the major producer of national income.

Furthering industrialization at a fast pace in the years that followed the ninth congress the party has paid great attention to the development of agriculture, the growth of plant and animal production. In full consensus with this programmatic orientation of the party, Nicolae Ceausescu worked out a unitary and harmonious outlook on the role of agriculture.

The party general secretary set the new concept about agriculture the innovating conception concerning its definition as a basic branch of the economy. The modernization of agriculture became a major priority of the national plan for economic and social development.

Another pillar of the new agrarian revolution erected after the ninth congress, was the firm orientation of agriculture towards an intensive-type development.

The agrarian policy instituted after the ninth party congress proved its realistic character primarily owing to the constant rise in the country's farm production, which provided for the attainment of the target set by the party—one ton of cereals per capita.

The modern, stepped-up development of all the sectors of the economic and social life has gone hand in hand with the expansion and strengthening of socialist property.

The options for economic and social growth promoted after the ninth congress gave birth to a radically new stance on science. The sustained promotion of scientific research and technological progress, in close connection with the country's economic and social development programmes, with education and with the requirements of production, turned into the definitional feature of the five-year periods elapsed since the ninth congress.

All these achievements are an expression of the innovative spirit of the revolutionary thinking that deeply penetrated all the areas of the social life, of the loftier outlook in the framework of which President Nicolae Ceausescu placed the party's role in society. In line with a highly innovating spirit, which relies on the advanced traditions of socialist thinking and the great responsibilities it poses before the working people in the current stage of socialist construction, the party is the vital focus of society, asserting its function of leading political force within collectivities, in permanent cooperation with the working people, with the entire nation.

The party's leading role enhances in close connection with the continuous expansion of revolutionary worker democracy, which implies an active and direct participation of all working people, in their new capacity as producers, owners and end-users of the social wealth, in running economic and social activities.

A framework which is one of its kind was institutionalized to provide for the whole people's broad participation in the process of running economic and social activities and an economic-financial mechanism, firmly set on worker self-management, on self-administration and self-financing, was created.

The regenerative spirit of the ninth congress proved productive in virtually every area of the political, economic and social life.

The concept concerning the moulding of a new man is achieved throughout the entire country for the first time in its history in the sense that the consciousness of all people is being revolutionarized and fundamental changes are being made in their way of life, in their work and existence.

In the years that followed the ninth congress, the party general secretary also made a theoretical review of the concept concerning the socialist state, which is called upon to adapt its functions to the extensive process of overall democratization of society. In the light of the dialectical concept concerning the concordance between the relations of production and the character of the production forces, a critical analysis was made of the structure and functions of the political system, all while encouraging the assertion of the masses' critical spirit. Throughout these years, emphasis has also been placed on the thesis concerning the perpetuation and the growing role of the nation in today's world as both the cosmopolitanism of imperialism, interested in infringing upon the countries' borders and the people's sovereignty,and the erroneous, exclusivistic approach to proletarian internationalism according to the stances that deny the national specific, have been rejected.

As for the international activity of the Romanian party and state, Socialist Romania has worked consistently in the service of the people's fundamental interests, in defence and for the promotion of their legitimate rights.

The article underscores the theoretical and practical value of the concept of independence and sovereignty worked out by President Nicolae Ceausescu, which is today one of the pillars of interstate relations, of the whole international climate.

Closely rallied round the party, following the lofty example of revolutionary and patriot set by President Nicolae Ceausescu, today, when they celebrate the anniversary of 70 years since the creation of the unitary Romanian national state (December 1, 1918), the Communists, all working people are strongly committed to the fulfilment of the targets and resolutions of the thirteenth congress and of the national conference of the party so as to give the country further accomplishments apt to increase the Romanian homeland's glory, dignity and greatness, the article reads in conclusion.

Milea Issues Order of Day on Army Day

AU2710190588 Bucharest SCINTEIA in Romanian 25 Oct 88 p 5

["Order of Day" issued by Defense Minister Colonel General Vasile Milea on Romania's Army Day, 25 October]

[Text] On 25 October we are celebrating the Army Day of the SR of Romania in an atmosphere of vigorous and profound patriotic involvement, in which all our people, mobilized by the theses for the next RCP Central Committee plenum and closely united around the RCP and its secretary general, Comrade Nicolae Ceausescu, are unflinchingly working to fulfill the historic decisions of the 13th RCP Congress and of the RCP National Conference and are recording outstanding successes in the implementation of the Eighth 5-Year Plan provisions.

On this festive occasion, the soldiers of our country express the feelings of ardent love and boundless appreciation that they nurture for Comrade Nicolae Ceausescu, the brilliant founder of modern Socialist Romania, the illustrious leader of our national destinies, the consistent and clear-sighted revolutionary, the great hero of our homeland, and a greatly appreciated prominent figure of our times.

At the same time, we express heartfelt thoughts of high esteem and great appreciation to Comrade Academician Doctor Engineer Elena Ceausescu, for her decisive contribution to the implementation of the magnificent programs for the many-sided development of our homeland and to the development and progress of Romanian education, science, and culture.

Army Day—a dear holiday for our whole nation—is the symbol of our gratitude and of the homage we pay to our forefathers, who fought and sacrificed themselves for the freedom and independence of our nation and for a dignified and happy life. On this anniversary, we recall the bright moment 44 years ago when the last stretch of Romanian soil was liberated from Hitlerite-Horthy domination. Likewise, this anniversary is telling proof of the love and appreciation expressed by our people and party for all those who serve our socialist homeland under the colors of the Army.

On this occasion, we pay warm homage to the Communists and to all Romanian patriots who lost their lives in the hard battles for the triumph of the antifascist and anti-imperialist revolution for social and national liberation, and to the soldiers of the Romanian Army who, at the call of the RCP, completely turned arms against the Hitlerite troops and thus wrote down unforgettable pages in the golden chronicle of our national history. The Romanian Army earned everlasting glory in the harsh battles, fought shoulder to shoulder with the Soviet Army, to drive away the Hitlerite-Horthy troops from the northwestern part of our homeland and to liberate Hungary, Czechoslovakia, and Austria, up to the final defeat of Nazi Germany.

For the great deeds of the Romanian people and their Army in the anti-Hitlerite war, Romania ranked fourth among those who contributed to bringing about the victory over fascism and to shortening by more than 6 months the greatest conflagration that mankind has ever encountered.

A dignified continuer of the brilliant traditions of our forbearers and deeply devoted to our people and to the supreme commander, today our Army is constantly fulfilling its honorable duty and is proud of the magnificent achievements of the Nicolae Ceausescu era, while, together with our whole nation, it is serving the cause of our socialist homeland's progress with self-denial and abnegation, and the cause of further strengthening its defense capability. Also on this anniversary, the Romanian Army presents a solemn military salute to the party and to our supreme commander, Comrade Nicolae Ceausescu, and reports important achievements in the efforts to acquire a new, superior quality in the educational-instructional process and to commendably fulfill the objectives established for the great worksites of our national economy.

Comrade soldiers, warrant officers, enlisted men, noncommissioned officers, officers, and generals.

As continuers of the rich virtues acquired by our heroic Romanian people throughout their multimillenary existence, you should devote your creative capability, knowledge, and experience to the unflinching implementation of the domestic and foreign policy of our party and state, and to the implementation of your tasks outlined in the documents of the 13th RCP Congress and the party national conference.

Mobilized by the lofty feeling of love for the homeland, you should work with enthusiasm and great responsibility to welcome with outstanding successes in all fields the 70th anniversary of the Great Union of 1918, the important political events of 1989, the 45th anniversary of the victory of antifascist and anti-imperialist revolution for social and national liberation, and the 14th RCP Congress; likewise, you should report important qualitative results in fulfilling the supreme commander's directives and all the missions bestowed on you.

In accordance with the guidelines included in Comrade Nicolae Ceausescu's highly valuable theoretical and practical work, you should constantly strive to ensure the increasingly stronger assertion of a dynamic and renewing revolutionary and party spirit, to ensure the observance of the principles and norms of socialist ethics and equity and the observance of the laws of our country, to continuously increase order, military discipline, and revolutionary watchfulness, and to turn the units and subunits into powerful detachments of patriotic struggle, which include thoroughly and comprehensively trained soldiers, with a high level of socialist awareness, who actively participate in the sociopolitical life of our country and in the work of building the comprehensively developed socialist society in Romania and ensuring the country's progress toward communism.

Instruct yourselves in the spirit of the national military doctrine, brilliantly founded by Comrade Nicolae Ceausescu, and devote all your energy to ensuring the constant perfecting of the combat spirit of large and other units, so that, at the call of the homeland and on the order of our supreme commander, the Army should be ready any time—together with the detachments of the Ministry of Interior, the patriotic guards, and the whole nation—to defend the freedom, independence, sovereignty, and territorial integrity of Socialist Romania.

Long live the RCP, led by its secretary general Comrade Nicolae Ceausescu!
Long live our free and independent homeland, the Socialist Republic of Romania!
Long live the Army of Socialist Romania!
Colonel General Vasile Milea, minister of national defense

Sends Cable to Ceausescu

AU2710123188 Bucharest SCINTEIA in Romanian 25 Oct 88 p 1

["Cable Sent to Comrade Nicolae Ceausescu by the Participants in the Festive Meeting in Bucharest on the Day of the Army of the Socialist Republic of Romania"]

[Text] Much beloved and esteemed Comrade Nicolae Ceausescu, RCP secretary general, president of the Socialist Republic of Romania, and supreme commander of the Armed Forces: Fully united in thought and feelings with all our homeland's sons, who are doing their duty under the Army's flags, the participants in the festive meeting in Bucharest dedicated to the anniversary of the Armed Forces of the Socialist Republic of Romania turn their warm thoughts of great appreciation and boundless gratitude to our glorious Communist Party and to you, much beloved and esteemed Comrade Nicolae Ceausescu—outstanding and wise leader of our country, hero among the heroes of our nation, ingenious strategist and enthusiastic patriot, great thinker of our time, and tireless militant for the triumph of the noble ideals of peace, cooperation, and social progress throughout the world.

Our country's soldiers are proud of the fact that all great revolutionary changes in our society in the years of socialism, particularly in the wake of the Ninth RCP Congress, are indissolubly linked to your name, prestige, and tireless activity. The Army greatly values the decisive contribution you are making to the formulation and implementation of the domestic and foreign policy promoted by our party and state, and to the mobilization of all our people to unflinchingly implement the great targets of building the comprehensively developed socialist society and Romania's advance toward communism.

With profound respect and fervent gratitude, our homeland's army expresses its great esteem and regard for Comrade Academician Dr Engineer Elena Ceausescu, outstanding politician, eminent revolutionary militant, and scientist of wide international recognition, who, through her entire activity is making a noteworthy contribution to building our homeland's new communist destiny, to the prosperity of Romanian education, science, and culture, and to developing world knowledge.

The glorious achievements attained during the socialist revolution and construction, particularly in the past 23 years, also incorporate the deep-going changes experienced by our country's Army. The Army owes to you its revolutionary quality, its high standard of instruction and education, its modern equipment, its strengthened and indestructible links with the whole nation, and its complete integration in our homeland's socioeconomic and political activity. On this occasion, too, we want to express our unreserved gratitude for the comprehensive and unparalleled work dedicated to questions of the homeland's defense, for excellently corroborating our national military doctrine, for your constant concern to ensure the security of our people's peaceful socialist construction, and for your consistent work to increase our Army's combat capability.

Much esteemed Comrade Nicolae Ceausescu, we report that our country's Army, which is part of our people and actually their armed arm, is working with dedication and devotion to implement our party's and state's domestic and foreign policy and all provisions of your orders and directives, and to constantly improve its political standard and combat preparedness in order to achieve better quality in all areas of our Armed Forces.

We assure you, much esteemed Comrade Supreme Commander, that, in the light of the historic theses formulated by you for the upcoming RCP Central Committee plenum, we will do all we can to meet our duties and, inspired by the ever burning flame of revolutionary patriotism, we will unflinchingly struggle to fulfill our very important duties under the party and state provisions and your monumental sociopolitical works.

The wise and bold political steps you undertake with unparalleled consistency and realism to halt the arms race, especially the nuclear arms race, and your activity dedicated to the noble cause of security, disarmament, and peace have once again revealed your exceptional personality and fixed you indelibly in the awareness of humanity as a great and fearless hero of peace.

Proud of our homeland's socialist present and communist future and of the impressive achievements with which our people are preparing for the RCP Central Committee plenum, for the 70th anniversary of the founding of the united Romanian state, the 45th anniversary of the antifascist and anti-imperialist revolution for social and national liberation, and for the 14th RCP Congress, and constantly inspired by your commendable example of heroism and by your communist dedication of unparalleled generosity, we assure you, much esteemed Comrade Supreme Commander, that, under the leadership of the party bodies and organizations and by working in a new, dynamic, and revolutionary spirit, we will harmoniously blend our military training with the work on our homeland's building sites; we will intensify our army's participation in our country's economic, sociopolitical, and scientific activity; and we will work, so that the Army will affirm itself as a genuine school of political-educational and cultural training.

Expressing the feelings of great appreciation and boundless respect harbored by all soldiers toward you, much beloved and esteemed Comrade Nicolae Ceausescu, we assure you on this occasion, too, that we will devote all our efforts to fulfilling the tasks of the 13th RCP Congress and national conference, continue to work in the spirit of the masterly theses for the coming RCP Central Committee plenum, constantly perfect the instruction-educational process and improve the combat capability of our units and detachments, so that the Army will be ready at all times and upon the call of the homeland and party and upon your order, Comrade Supreme Commander, to defend, together with all our people, the revolutionary achievements and the sovereignty and territorial independence of our dear homeland—the Socialist Republic of Romania.

The participants in the Bucharest festive meeting dedicated to the anniversary of the Army of the Socialist Republic of Romania

Concept of Noninterference Emphasized

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["Independence, Free and Sovereign Development of Peoples—Primordial Requisites of the New Political Thinking—Excerpts From a Commentary in the October 27 Issue of Daily SCINTEIA"—AGERPRES headline]

[Text] Bucharest AGERPRES, 27/10/1988—The idea of independence and sovereignty is one of the guiding orientations of the home and international policy of Socialist Romania, of the Romanian Communist Party. Starting from the experience of his own people, and from the whole historical experience, from the great complexity of the world today—characterized by the existence of socialist states, of developed capitalist states, of the big number of developing states, each of these groups showing a tremendous diversity of peculiarities and specific conditions, Nicolae Ceausescu, general secretary of the party and president of the republic, emphasized, as one of the salient features of the big revolutionary changes taking place at a planetary scale, the force of assertion in our days of the idea of national independence and sovereignty, its overwhelming and decisive influence on the whole contemporary development. From the position of every nation as the only master of its own destiny results its inalienable and imprescriptible right to self-dependently choose its development path, its political, economic and social structure which it considers to be the most suitable, to decide by itself, as the only and supreme judge, on what is and what is not in harmony with the concrete realities in its own country.

Likewise, according to the outlook firmly sustained by Socialist Romania, by its president, the strict observance of every nation's independence and sovereignty is a fundamental requisite of the cause of peace, international security and detente.

Romania considers that of decisive importance are the new, democratic principles of international relations, principles in the unitary context of which a prominent place in held precisely by the observance of national independence and sovereignty.

The assertion of national independence and sovereignty presupposes and implies the definitive removal of any interference in other peoples' affairs.

History, world developments prove that there were and still are more than one attempt to impose from the outside one way or another of development or social organization. Social practice proved and permanently proves though that the process of socio-economic organization of one people or another cannot proceed within set schemes, certain models or compulsory patterns, precisely because any pattern accounts for a restriction and also for a violation of the peoples' right to sovereign and independent decision, to endorsing forms of activity in keeping with what is specific to the respective countries, with the historical, social, national and other peculiarities. It is only the observance of the peoples' sovereign option that gives originality and viability to the process of historical creation. Otherwise, "construction" is done on unsteady ground and the social "edifice" remains artificial, it is not and cannot be durable.

Just as harmful and inadmissible are the attempts of certain circles which, instead of minding their own problems, consider themselves entitled to give advice and recommendations to others for the settlement of various affairs. Like attempts flagrantly run counter to the spirit which should prevail in relations among sovereign and independent states, and can only create or rekindle animosities and should be firmly rejected.

Similar harmful attempts have been lately made, in some international fora included, to take away from the sphere of national independence and sovereignty certain internal socio-political issues, on the grounds—arbitrarily concocted—that these would, so to speak, cease to fall under the exclusive jurisdiction of one country or another and would acquire an "international" character. Suchlike aberrant stances serve as foundation for the so-called outside "norms" or "recommendations." Or, this means in fact to accept the idea of partial or limited sovereignty, which may open the path for an... unlimited interference in other states' home affairs, which is certainly inadmissible, just as the attempts to "justify" interference under the pretext of "interdependence" among various states of the world, undoubtedly, interdependence, as an irrefutable fact of the contemporary world, cannot be opposed to independence, but can be only conceived as collaboration and assistance among independent and sovereign states.

No less reprehensible and dangerous for interstate climate and relationships is interference under the form of economic pressures, conditions or sanctions. Incompatible are also the trends to create supranational economic organisms which may only encroach upon and maim each state's right to sovereign decision-making.

Naturally—without covering all the facets of the problem—the most overt and brutal way of violating peoples' independence and sovereignty is the way of arms, the military intervention. It is an obvious fact that the proliferation of so-called local conflicts or wars are—with few exceptions—the outcome of outside interference, be it the attempt of imperialist circles to stifle people's struggle and aspirations for freedom and progress or to force historical development, disregarding subjective and objective factors, existing specific conditions, practices and actions, which are both inadmissible.

Reportage on Joint FEC-Presidency Session

Dizdarevic Discusses Economic Reform

LD2810161088 Belgrade TANJUG Domestic Service in Serbo-Croatian 0919 GMT 28 Oct 88

[Report on speech by Raif Dizdarevic, president of the SFRY Presidency, at a joint session of the SFRY Presidency and the FEC on 28 October in Belgrade]

[Text] Belgrade, 28 Oct (TANJUG)—Raif Dizdarevic, president of the SFRY Presidency, stressed in his introductory report at today's joint session of the SFRY Presidency and the FEC that the reason for holding today's session is for us to consider how far preparations have progressed on all the economic reform measures and how to prepare everyone—from associated labor organizations to federation organs—to implement them, because there is now no more urgent task for our society. The session is devoted to the current economic situation, the economic policy goals of this and next year, and the preparations to adopt the economic reform.

In many respects this is a crucial moment in our social development. We are concluding work on constitutional reform which is of great importance for further developing a society based on socialist self-management. We are on the threshold of reforming the economic system, which is opening a new chapter in socioeconomic development. The FEC economic reform commission's work has been very useful, and this is a great success achieved in this year. The 17th LCY Central Committee session contributed to unity on some current vital questions and also set the course for implementing the three reforms.

Having noted that we must set economic and social policy for 1989, Dizdarevic said that we are making great changes and undertaking this great task in very unfavorable social conditions. Negative economic trends continue to be a vital economic characteristic in the country. Apart from important results in economic relations with foreign countries, in other economic development sectors the problems have become more profound and acute.

At the same time political and intranational tensions have grown to such an extent that the country's political and security situation has seriously worsened. The situation in Kosovo in particular has worsened. This has meant that public attention has focused on political and intranational problems.

These problems have dominated the consciousness of the working people and citizens, and they are greatly concerned and anxious about the worsening relations in the country. Thus, in addition to increased social dissatisfaction, political dissatisfaction has also increased. Their interdependence has grown stronger, and this thus has become a basic motive for the widest dissatisfaction of the working class and the public, warned the president of the Yugoslav Presidency.

Political and intranational tensions have engaged huge social energy and have significantly weakened overall social action to resolve the burning economic and social problems and implement the economic reform. This was the SFRY Presidency's vital reason for convening today's session and for stressing that before solving the social crisis an economic breakthrough must first be achieved. The interdependence of the political and economic reform is indisputable, but without positive economic results it is not possible to calm the political and economic dissatisfaction of the working class and the citizens, and then channel their huge creative energy into working for further social progress.

Stressing that finding a solution to the economic crisis must not be further delayed, Dizdarevic pointed out that it is time for us to direct and concentrate all forces on the final preparations for economic reform and on intensifying the creation of the broadest social consciousness. He stated that this is the only sure way to solve the economic and social crisis permanently, and to return, in new conditions and in a new way, to the more rapid development and general progress of society. Development policy in 1989 must unconditionally initiate positive economic trends. Thus, all measures and all forces, all policy and social action, must work for this goal.

Dizdarevic then recalled that this year's current economic trends are unfavorable. Some of the vital goals of established economic policy are not being achieved. There has been no revival of the economy or growth in production. Instead of planned growth, a drop has been recorded. A realistic evaluation is that the year will end with a negative growth rate. The same applies to the social product.

Most serious of all is our failure in the struggle against inflation. Instead of halting the growth of inflation and reducing it, in September it totaled 217 percent compared with the same month last year. The prognosis is that the year will end with inflation as high as this figure. This threatens all positive achievements and moves and all our reform efforts and aims, not only for this year but for next year as well, and for years to come, Dizdarevic said.

The drop in real personal incomes and living standards of a very large section of the workforce is bordering on being unbearable, with serious consequences for production and economic activity, social conditions, and the political situation in the country. For this reason the decline must be halted and turned into an increase.

Speaking about positive trends, Dizdarevic noted in particular that very good results have been achieved in foreign economic relations and in the country's external trade balance. Exports are somewhat greater than planned. The trade deficit has been reduced, the covering of imports by exports has been increased, foreign currency earnings from the remittances of citizens [working abroad] have increased significantly, the purchase of foreign currency in exchange offices has doubled, the balance of payments surplus has more than quadrupled, and foreign currency reserves have more than doubled since the start of the year. This is a great success achieved this year, because this was one of the basic aims which we established in our development policy. These are achievements and trends which should be stabilized.

Dizdarevic then spoke about the tasks necessary for a change of direction and stressed that next year is the 1st year for the implementation of moves for reforming the economic system and the strategy of economic development. Therefore, it should be a year of great and fundamental restructuring of the economy on market bases and of change in the method and content of the work of all organs, in keeping with the essence and aims of economic reform. For this reason, it must also be a turning point.

The systemic laws will begin to take effect from the new year. However, for their implementation and the changes which we are introducing with them, and the effects they will have, a certain amount of time and especially the fundamental preparation of society as a whole is necessary. Economic policy for next year can only be completely orientated and directed toward the achievement of those goals which are both a condition, a part, and a beginning of the fruits of the reform. To this end it should ensure the first serious results. After all, economic stagnation and the social crisis have been going on for a long time; there are many unrealized goals of developmental and economic policy; social problems have been gathering and accumulating for a long time; and, on this basis, political dissatisfaction has been growing over a long period. This year all of this has passed beyond the upper limit of patience and tolerance.

A turnaround is extremely essential and, on the bases of economic reform, possible next year. The Presidency believes that economic policy in 1989 should concentrate on some goals not achieved this year, and on the most important future tasks. This is a reference, above all, to the revival of economic activity and the growth of production, without which there is no movement out of the economic crisis. Therefore, it should be established—and this should be known to the economy by the end of this year—which economic measures will stimulate this.

In this connectiion Dizdarevic stressed in particular that one of the material conditions for beginning the implementation of the reforms, and also the revival of economic activity, is to relieve the economy, whose (?distributed) income, in the first half of this year, fell to 51.6 percent.

This is also a deep class question of reform and a general demand on the economy. Instead of the constant repetition of demands for the strain on the economy to be eased, decisive and urgent changes are needed. The FEC has already adopted or proposed some measures. This is also being done in some republics but not at all levels nor in all places in which this is possible.

The measures taken so far show that there are great possibilities for unburdening the economy, and that this could have been done sooner. This yields clear lessons for future policy. The Presidency demands that by the end of the year all self-managing communities of interests, all municipalities, provinces, republics, and the federation—that is, all institutions taking resources from the economy—should make decisions on abolishing or reducing the requirement for these resources. In other words, they should make decisions on unburdening the economy. The economic sphere and the public should know this before the start of next year, stressed Dizdarevic.

Returning to reform, he stressed that its essence is the widest possible motivation in society as a whole, particularly of collectives and working people, and that only this can help develop and revive the economy. Without this motivation it is impossible to make significant steps in reform, the philosophy of which is that each person should be motivated by the market toward better and more productive work, technological and other innovations in the organization, quality and efficiency of work, and in business activity—in other words, toward the greatest market orientation which, in accordance with results, will bring greater earnings to both the collectives and the individuals in them. The fall in living standards and real personal incomes certainly does not motivate people. In fact this is a factor in the stagnation of production and economic activity as a whole, one which has certainly influenced this year's drop in production.

Major investment undertakings have particular importance in reviving economic activity. It is thus essential to achieve agreement without delay on financing the construction of the Brotherhood and Unity Highway so that work can begin on all the remaining sections and equally also on other roads of benefit to the whole country. Also included here are other undertakings, in particular the intensification of home building as well as some other large projects, without being worried about whether or not someone will proclaim these to be public works.

To revive economic activity and increase production, it is essential to realize more rapidly foreign loans which have already been obtained, some of which have been obtained under very favorable conditions. More than $1.7 billion of loans currently remain unused, and it is time measures are taken to employ them more rapidly, the president of the SFRY Presidency pointed out.

Devoting particular attention to inflation, Dizdarevic said that it must be stopped and fought more effectively because it has the most serious effect on industry, on the economy as a whole, and on all social work—on motivation and especially the quality of citizens—and because it impedes or curtails all reform efforts.

At the end of last year the SFRY Presidency noted that in economic policy for 1988 the greatest attention focuses on comprehensive measures to ensure that after price liberalization a great wave of inflation does not occur. During the whole year the Presidency particularly stressed the equal involvement of all—municipalities, provinces, republics, and the federation—and it sought timely economic measures and intervened when they were delayed.

The whole anti-inflation policy was not consistently implemented. Different views were expressed on inflation's destructive effects, and there was unequal readiness to become involved in implementing an anti-inflation policy. There was no unity of views and action on the crucial importance of curbing inflation for the reform and for overall social stabilization. And unfortunately, inflation became an accepted means to excuse all of society's economic irrationalities and settle all costs. To curb inflation, a comprehensive, consistent, and effective set of economic instruments is essential, one that must be consistently and effectively applied in a timely manner. Everyone is obliged to do this—from the municipalities to the federation. Responsibility cannot be shifted onto others, and everyone must bear his share of responsibility, Dizdarevic said.

Because, without reducing inflation there can be no reform, no way out of the economic crisis, no overcoming of social tensions and the political dissatisfaction of citizens. This is why the question of an antiinflation policy is one of the most important at this meeting.

The tasks which lie before us in implementing reform call for the fall in real personal incomes and living standards to be halted in 1988. This is a condition for the widest motivation for work and creativity, and a condition for the carrying out of differentiation between the good and the bad, the successful and the unsuccessful, those who have prospects and those who must reorientate themselves.

The slowing down and halting, or compensating for, the rise in prices of the most vital food products must be brought about by all available economic means. The question of compensatory measures, when these are vital, cannot be solved on a day-to-day basis, and the public cannot be kept in a state of constant uncertainty as to whether or not the duration of these will be prolonged. More permanent solutions are required so that citizens will know what they have to take into account.

The policy with which we have realized such valuable achievements—increased exports and a positive economic and foreign currency balance—should be continued, the results which have been achieved should be made stable, and the orientation toward the export of goods, services, and work, on the basis of various agreements with foreign partners—from joint production projects to foreign investments in Yugoslavia—must be made permanent through the practice of effective implementation. Economic policy next year must ensure this, Dizdarevic noted.

Speaking about the actual material conditions for implementing the economic reform, Dizdarevic stressed that the foreign financial conditions for this have been created by the rescheduling of debt repayments. This will relieve our balance of payments this year and over the next few years by $1.5-2 billion annually. Certain new loans have also been secured.

However, huge domestic debts remain. He asked, can the reforms be begun with the necessary certainty if there is no realizable program for setting and resolving the large domesic debts and all the so-called dubious accounts in internal financial relations? The FEC has been working on this extremely complex question for a long time.

Whether the first phase will be successful or not depends on the readiness of the economy to implement the systemic laws and measures which make up the reform. The question is whether there is organized action for this end, and how much the organizations of associated labor are preparing for work in the vitally changed conditions of reform. What is being done in this respect in the chambers, municipalities, assemblies, executive organs, and administrative organs? What questions on the preparations are the trade unions' actions orientated toward, and how are the banks, the self-managing communities of interests and others preparing themselves? Everyone, especially the work organizations, is faced with the task of adapting to the reform measures and an examination of its own ability to reform. A lack of readiness would cause great damage to the first phase of implementing the reform, Dizdarevic believes.

During the work on preparations for the reform and in implementing the first reform measures, we must be prepared in a realistic way for resistance to the reform and be ready to overcome it. Above all, resistance to the reform comprising an objective situation created over the years and the consciousness and behavior which has grown up around it, which were and are part of this situation, should be seen. This should be overcome, Dizdarevic stressed, especially by insistence on economic logic and the reform measures, but also by the efforts of industry, working people, self-managing organs, and teams of managers to prepare for this so that they can be helped to orientate themselves in the new conditions and to master them. The attitude toward the reform, more or less the failure to understand it, as well as resistance, will depend on the quality of the solutions and effects which it will bring, and on whether we wish, by developmental, economic, and social policies, to reduce and eliminate the causes of social dissatisfaction. If we succeed in this it will be much easier to overcome the resistance which is advocating the continuation of old practices, which opposes the reform, and which offers something which is a deviation from its essence.

Economic reform cannot be implemented without an active and dynamic social policy which is an essential and integral part of development policy, Dizdarevic stressed. He added that we must not abandon the principle that only work and the results of work can determine the material and social position of a person. However, reform must not be endangered, as is already the case, by social problems and tensions.

Society must protect the material position of those most threatened and those who come to be in such a situation through no fault of their own. This is our duty out of solidarity, and our socialist duty. This is why the SFRY Presidency has insisted so many times, and on this occasion points to, the vital need for passing comprehensive social programs as integral parts of the economic reform which, in their provisions, as well as in their surviving protective functions, must above all encourage better work and creativity.

A comprehensive social policy in the conditions of reform also calls for a change of direction with respect to employment. The constitutional amendments offer an important chance for this. That is, all barriers must be removed which represent whatever kind of limitation to the more rapid and wider involvement in the process of work of great numbers, particularly of young and unemployed people, in all sectors where we have undoubted comparative advantages. The organs of the sociopolitical communities, according to Dizdarevic, must provide all possibilities and assistance for work organizations and the unemployed themselves to organize various kinds of work and production involvement.

Mikulic on 'Vital' Economic Measures

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["Joint Session of SFRY Presidency and FEC—Speech by Branko Mikulic"—TANJUG headline; at a joint session of the SFRY Presidency and the FEC on 28 October in Belgrade]

[Text] Measures for unburdening the economy are vital. For this reason we will insist on looking at all the possibilities for achieving maximum results. However, it must be said that reserves in the economy are also very great and that only by activating them as well can true results be expected. This was said at a joint session of the SFRY Presidency and the FEC by FEC President, Branko Mikulic.

Having noted the insufficient utilization of capacities in industry, large transportation costs, and large expenditure of energy per unit of product in our country, Mikulic said that other costs per unit of production are also increasing in Yugoslavia. The coefficient of the turnover of working assets has fallen from four times in 1970 to just over two times after 1980 and has gradually started to improve in 1987 (2.6).

The effective utilization of working time in Yugoslavia has been halved. Only 3.5-4 hours of working time a day is used effectively. The fall in working productivity has been a reality in this country for many years.

The effectiveness of basic resources has fallen since 1981 at an average rate of 2.3 percent a year, and the effectiveness of investments has also worsened, since as long ago as 1965. The average activization period of investments in this country comes to about 7 years (more than the entire investment cycle in developed countries), and in some projects it comes to as much as 10, 15, or even 20 years.

Even in the apparently irreproachably arranged organization of work and technological procedures, rationalization and savings are possible, Mikulic said.

In our country the reserves for this are enormous. For example, if we had reduced the resources spent by only 1 percent—and in the existing conditions of business activity this is realistically attainable—the economy's income in the first half of this year would have been greater by 4 percent or by 1.013 billion dinars, and if these resources were directed into accumulation, this would increase by 40 percent.

This fact and others unambiguously show the great reserves in the economy and show that improving the material position of the economy and finding a way out of the economic crisis does not depend only on redistribution but in the first place on work and creativity. And increasingly less is said about this. And we in society must decide about this, Mikulic said.

Assessing that the economic situation in the country is critical, and that the exacerbation of social problems is making the time in which we live a very serious one and in many respects a decisively important one for Yugoslavia's stabilization and prospects, the FEC president said that the explosion of criticism and the social protests of workers also call for rapid and correct solutions which are on the path to a way out of the crisis.

It is not necessary to particularly stress that without comprehensive reform of the economic system it is not possible to overcome the economic and social crisis and that any possible further hesitation in this respect can only cause even greater difficulties and lagging behind, and could even bring into question the fate of our development on the bases of socialist self-management.

The reform of the economic system and the construction of a new development orientation with the aim of changing the structure of the economy are two sides of the same coin, a unity of essential changes. We should recall that our earlier reforms failed both because of resistance and because of an absence of change in the directions of material development. The new system was justified by old developments, attitudes, and policies. Now we have opened up a unity in these things.

An analytical look at the development potentials of the Yugoslav economy shows that with such a structure it cannot achieve as an average over several years a greater rate of growth in the social product than 2-2.2 percent. The reason for this is to be found in the very low effectiveness of investment and development over the last 20 years and more .

The basic causes which led to the generation of an inadequate development orientation and the existing economic structure arose from a nonmarket economic system. The new strategy of development, the focus of which must be changes in the structure of the economy, should be based, Mikulic added, on the conception of an open economy as well. The focus should be on the production of specific-purpose exports, the development of small businesses, the stable development of science and technology, and the undertaking of new research and development activities without which the structural adaptation is unthinkable.

Restructuring in a section of the economy requires radical interventions. There is no place for insistence and pressures to produce what the market does not accept. Such production should be abandoned with the intensity which the domestic and foreign market dictates, while intensive work goes on to discover and introduce alternative programs.

In the context of such a development orientation, it continues to be necessary to devote corresponding attention to the problems of regional development, especially the more rapid development of the economically insufficiently developed republics and the province of Kosovo. It should be expected that the more rapid development of these regions will contribute to the reform of the whole, both because of the expected and unhampered circulation of capital and because of the expected improvement in their economic position and the conditions for business transactions, which will come about as a result of the realistic valuing of the factors of production. It will be necessary in the future too to support the development of these regions by appropriate stimulative measures.

In order for the reform of the economic system to be implemented successfully, it is vital to create certain material and social preconditions. According to Mikulic, this is a matter above all of the exclusion of all fictitious accounts from the balance of the economy and banking system and the adoption of appropriate programs for the financial consolidation of potentially healthy organizations, and of the reform of the overall social infrastructure (statal, parastatal, political) and the reduction of expenditure to finance it within the limits of the available material possibilities of the economy.

This is also a matter of the elaboration of social programs at all levels, which will soften the impact of social tensions which the implementation of the economic reform will inevitably cause, and of the reform of the system of education, especially in the secondary schools and the faculties, which will be able to produce cadres capable of coping successfully with the tasks which the reform will impose.

It is necessary to create both the necessary social and political climate which would make it possible for the working class and all working people to become involved to the maximum extent in the implementaion of the reform. Without this there are no prospects for success in implementing the reforms. Unfortunately, we are still not dealing with these tasks. We are occupied with other questions, Mikulic stressed.

In a lengthy report on the results of the May measures, Mikulic stressed in particular that despite all the criticism, the intervention import justified its purpose within the framework of the endorsed funds of 400 plus 200 million dollars [as received]. Although all the goods have not yet entered the country, there are arguments in favor of assessing the intervention import positively, especially with regard to individual raw materials, which has already had an impact on the prices of specific goods. Positive effects would have been greater and better had this import been realized sooner. The criticism of its low realization is therefore justified.

Commodities' reserves can also be an important stabilizing factor. The reserves of the federation do not have a market function, but 15-20 percent of the reserves can be used for eliminating disturbances on the market. This possibility was also taken advantage of this year.

Dwelling on the measures taken for the unburdening of the economy, Mikulic said that we must orient all our resources toward intensifying economic activity, even if it means no longer postponing all the expenditure without which we can, or better still, must, cope on a temporary or a longer-term basis.

A longer-term rescheduling of the external debt is certainly an exceptionally important method of unburdening the economy and the country as a whole.

We find ourselves split between the demands for a further unburdening of the economy, Mikulic said, and an inability to regularly meet our commitments with regard to the federal budget for the Yugoslav People's Army, Army pensions, protection for invalids and veterans, additional funds for the undeveloped [regions], and so on. However, we are trying to introduce further measures in order to create the conditions for reducing spending by restricting consumption in federal organs. Some of these questions should be tackled in republics and provinces such as, for instance, a 20-percent reduction in appropriations from the revenue and personal incomes, a revision of allocations for the electric power industry, and so on. The federation will take steps to reduce a number of branch offices abroad and their employees, import charges, and so on. The FEC will brief the SFRY Assembly on the demands for cuts in allocations for the federation fund for boosting the development of economically undeveloped republics and provinces.

Considerable reserves for unburdening the economy can be found in socialist republics, socialist autonomous provinces, and municipalities. Measures are taken in this direction in many sociopolitical communities under the burden of pressure and the crisis itself. Although complete information is not available, we know that in Croatia the effect of reducing tax rates from the revenue and contributions from personal incomes is about 375 billion dinars, in Serbia about 400 billion judging by various criteria, in Bosnia-Hercegovina over 108 billion, and in Vojvodina 77 billion dinars (there is no information available for the other republics and Kosovo, but measures for unburdening the economy are also being taken there).

Having stated that economic policy for 1989 will be based on the May measures and their supplementation by the end of the year, Mikulic said that possibilities and directions for development next year will be determined to a significant extent by the reform of the economic system. The reprogramming of the country's foreign debt, and the agreement which has been reached with foreign creditors, are also basic preconditions of economic policy.

Economic policy next year will also have certain new characteristics. This is a question, above all, of introducing a market for stocks and bonds, which will be employed, as well as for investing in development, for balancing the property balance of enterprises and for the financial consolidation of banks. As for the deficit financing of the federation's obligations, we will hold a separate discussion in the FEC, and after that we will propose that this should be discussed in the SFRY Assembly as well, and that suitable decisions be adopted.

Other measures will also be put into effect whose aim will be the financial consolidation of the economy and banks. This includes measures such as, as far as is possible, the reprogramming of loans, the clearing of the balance of commercial banks, the transformation of deficits into public debt, and others.

The realization of the basic tasks of economic policy—reducing inflation and reviving production—demands, said the FEC president, the taking of consistent measures in the sphere of economic relations with foreign countries, of monetary and credit policy, price policy, and distribution policy.

Bearing in mind the limited nature of the international market (low purchasing power, the lack of real income to cover all aspects of demand, the fall of investment spending, and so on) and that the only valid alternative is an orientation toward an open economy, exports are thus our highest priority strategic task.

For these reasons the FEC has decided to support exports with measures of current and development policy, particularly with the interdependent and coordinated effects of the policy of a realistic exchange rate for the dinar and the policy of boosting exports.

Monetary and credit policy will be directed, above all, toward cutting inflation, but at the same time in such a way as not to bring into question the reviving of production, which means that an increased money supply and loans from the banks must be very selectively directed, primarily for purposes which will ensure a rational and competitive increase in the production of goods and services in the shortest possible time.

It is envisioned that the control of the growth of personal incomes should be carried out by means of a fundamentally changed agreement on distribution, and that the intervention law should be repealed.

In the sector of the market and prices the policy of further liberalizing prices will be continued, and in order to maintain the stability of the market, the united functioning of a system of market stockpiles will be ensured, as well as increased imports, including intervention imports.

Mikulic stressed in particular that the FEC and all the institutions of the system in the federation will not be able to restrain and reduce inflation if all organizations of associated labor, municipalities, towns, republics, and provinces do not equally and resolutely involve themselves in this task. There are a considerable number of illustrations which lead one to the conclusion that there is a wish to solve, by raising prices, problems which have accumulated over the decades, including the ensuring of resources for the ambitious development of individual activities. On the other hand, there is an attempt to soften the controls of demand and spending. Under the influence of various interests, there are in Yugoslavia a variety of different prices, even in the large system. For example, a unit of a telephone call and the subscription charge vary by as much as 30 percent!

In view of the fall in living standards, especially of certain sectors of the population, great attention must be devoted to social policy. On this occasion, too, I would recall that our reforms have fallen because we have not had adequate social programs or have not implemented them. This time we must succeed. After all, the fate of the country is connected with the success of the reforms. We must all be conscious of this and, among other things, make more speedy preparations for the appropriate social programs. Although this field is not in the compentence of the federation but rather of municipalities, towns, republics, and provinces, the FEC took certain measures. With the changes to the law on personal incomes, which primarily have an economic function, a certain space was created for the protection of living standards, and we proposed that compensation for producers for the prices of type-850 flour, bread made of this flour, edible oil, and milk should continue. In other words, the existing law, which has been in force since the end of September, should be extended until the end of the year, and also, that in the meantime funds and criteria for the transfer of this compensation from the producers to the consumers should be ensured in the republics and provinces. The commission for the reform of the economic system proposed, and the FEC concluded, that a separate document on social policy should be adopted as a constituent part of the reform of the economic system.

Speaking about the international circumstances and their impact on our development in 1989, Mikulic thinks that it continues to secure relatively favorable economic conditions, considering a positive and relatively stable international trend of reviving economic activity. However, the exacerbated political situation in the country and the launching of calculated political lies, for instance, about a military coup, the reshaping of Yugoslavia, the disintesgration of the country, the alleged danger of a civil war, and so on, have already to a degree harmed our economic cooperation with some countries. Individual insurance and financial organizations assess us as a high-risk country, some negotiations on long-term business arrangements and joint investments are postponed, already booked tourist packages are canceled, and even credit lines are closed. Not even increased international activity and tourist propaganda can have an impact on any considerable improvement in the situation. This can only be done by the stabilization of the social and political situation in the country.

We must be fully aware of the fact that we cannot overcome the crisis without reforms in the broadest sense of the word. We must not, however, deceive ourselves that they will be carried out without any effort and without many financial, social, and even ideological restrictions. We can overcome the crisis by the complete mobilization of all the socialist forces, all the creative potential at our society's disposal, more productive labor and greater discipline, and responsibility for the implementation of the endorsed policy, Mikulic concluded.

Officials View Economic Situation

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[Excerpts] Belgrade, 28 Oct (TANJUG)—On the basis of everything which can be heard and read regarding reform, the conclusion could be drawn that the degree of concurrence in Yugoslav society on the basic concept of reform is complete, FEC Vice President Milos Milosavljevic said at today's joint session of the SFRY Presidency and the FEC. Reform is being called for by successful and unsuccessful collectives, by the developed and the underdeveloped, and everyone is expecting that under new conditions their position will improve. However, very little is being said about the fact that the starting point for reform is an increase in overall social efficiency. Reform will, Milosavljevic said, open up prospects for development, which does not mean prospects for developing every factory which is unable to undergo the market test. The necessary level of social security and protection for workers in these collectives must be ensured by an appropriate social program, which does not mean accepting demands for the broadest social wage levelling. Social peace paid for by wage levelling would not only result in stagnation but would also drag us deeper into crisis. Besides, we have been paying the price of this for too long. The stand on reform, therefore, is not a question of verbal advocation of the reform, but a readiness to enter into it with all the consequences which arise from a market model.

In the next 2 months, answers must be given to important issues of the material assumptions with which we are embarking on reform, and realistic transitional phases must be established in which our bad debts and deficits will be "covered." Expectations that a reform of the economic system will solve all the material disproportions and bring us prosperity are profoundly unrealistic, Milosavljevic warned. It can prevent the reproduction of instability, but cannot rectify all the imbalances. The aims and depth of the changes we are carrying out are inadequately explained today, Milosavljevic continued. Sometimes one gets the impression that this is the exclusive task of the so-called Mikulic commission, the composition of which was the cause of dilemma in itself when it was formed. Right up until the LCY Conference, it looked as though the question of a reform of the economic system was not an immediate task or that it did not belong among top priorities, Milos Milosavljevic said. [passage omitted]

The different levels of economic development, employment, structures, and economic indebtedness, as well as the intensity of social problems, put the republics and provinces in differing positions at the outset of economic reform. This was noted by Dr Oskar Kovac, who observed that the FED has offered certain solutions in this direction, some of which have still not been approved. The basic problem is the lack of adequate mechanisms for collecting and directing funds, and without the solution of these problems it will not be possible to apply the harsher conditions of economic activity, that is the reform, throughout Yugoslavia. It could therefore happen that we realize the slogan "One country, two systems" before China does. The alternative, Kovac said, is for reform to be applied throughout the country and the economy of certain areas to collapse. Explaining his fear, Oskar Kovac argued on the basis of the example of the EEC in the seventies when it was faced with similar problems, and created a mechanism for alleviating regional, industrial, and social problems of the market's economic integration. It achieved this by abandoning the confederal and transferring to the federal budget system. This represents the fransfer of part of the resources from the national to the supranational level with the aim of financing activities which strengthen the integration of the European Community nations and states.

Bearing in mind the material, regional, and industrial disproportions, as well as the social problems with which we in Yugoslavia are faced as we enter into economic reform, Dr Kovac asked whether our new amended, but nevertheless confederal fiscal system can cope with the problems. The public debt in market economies is the consequence of many years of budget deficit. In Yugoslavia there exists a hidden budget deficit, while the public debt does not formally exist. A part of the unacknowledged public debt, accumulated and transferred to the National Bank of Yugoslavia, is being paid off by periodical mechanisms for collecting funds mainly through intervention laws, and by using the emission earnings of the National Bank of Yugoslavia. In some debates it is as though the public debt is only just being discovered, Kovac said, as an instrument of the deficit financing of the budget. This is seen as a solution to most domestic losses, and for future budget deficits. On this basis, a significant unburdening of the economy is promised. There is also a tendency for all bearers of debts from the republics and provinces, socio-political communities, banks and industry to now call on the federation to take over all debts regardless of how they originated. Dr Kovac then questioned what is the normal level of public debt, how does Yugoslavia stand in this respect, and can the public debt of Yugoslavia be increased, and concluded that there is no room for this. [passage omitted]

The priority goals of economic policy in the coming year will be to bring down inflation and increase production through the growth of exports and an increase in imports, the reduction of manufacturing costs, and the strengthening of motivation for higher productivity through increases in personal income. This was stressed by Zarko Papic. Encouraging exports in conditions of the necessary limitation of domestic demand is the key to activating production. At the same time, the import of goods and services, which will noticeably begin to increase this year after a long lapse, should ensure greater exports, considering our economic dependence on imports. This will all launch a modest expansion of 1.5 percent in production and the social product. For this to be possible, Papic said, a realistic exchange rate must be in effect, imports must be liberalized, and most important, import duties must be reduced, and the normal functioning of the foreign currency market guaranteed. [passage omitted]

In conclusion, Papic said, we must stimulate personal incomes. This does not mean giving in to social pressure, but rather to an awareness of the fact that we cannot increase production without motivation.

Recalling our desire to find a way to create such an economic system which would secure the establishment of a different production-management structure, one oriented toward the market and exports, Stane Dolanc said that such a production-management structure must be capable of becoming integrated in Europe's development trends in 1992. I am convinced, added Dolanc, that in this connection we should make resolute changes in the development of ideology and philosophy, as it is obvious that the existing social plan can no longer be the basis for the economic and joint development policy.

Thus the vital need for changing and expanding it. I think, said Dolanc, that this should be one of the conclusions of our session, especially in view of the upoming preparations for a new plan for the 1990-95 period. These preparations should be truly professional, democratic, and coordinated in all the republics and provinces.

Dolanc believes that the rescheduling of foreign debt—that is, the obtained credits—should first and foremost be used to expand possibilities for a revival and reorientation of production, given that the structure of borrowing this year is not as envisaged. We planned a structure which would focus on long- and medium-term credits, but to a large extent our loans are in the form of short-term credits which must be repaid this year. [passage omitted]

Speaking about the budgetary and extra budgetary consumption, Dolanc said that there were too many discussions on the sources of financing for the budget and too few on how we could reduce the budget at all levels. In his view it is necessary to adapt the budget to the potential of our economy, and to the needs of those who use the budget. The same should be done for extra budgetary consumption, concluded Dolanc.

The consolidation of the external debt will ensure a reduction in the outflow of the country's social product by $2.2 billion this year, by $1.6 billion next year, and by some $2 billion in 1990. Federal Secretary for Finance Svetozar Rikanovic said that we believe the job was carried out well and professionally within the framework of realistic conditions. We agreed, he added, neither to increase our external debt in principle nor to reduce it by 1995, as this would jeopardize our chances of overcoming the crisis. Speaking about the "distribution of the foreign convertible debtm" Rikanovic said that 36.2 percent of the $17 billion debt and $576 million from 30 June is "consumed" by only 28 organizations of associated labor and self-managing interest communities. These are INA [state petroleum industry], the Smederevo metalworks combine, the Kosovo electric power industry composite organization of associated labor, and the Bosnia-Hercegovina electric power industry.

Speaking of domestic debts, it is very important that changes to the Constitution and the accountancy system make it impossible for loss makers to cover their losses at the expense of someone else's management fund. It is also important, Rikanovic continued, that the banks' association has already accepted that a realistic interest rate on credits should not exceed 18 percent. This will be a powerful anti-inflation instrument, because international experiences show that a realistic positive interest rate in this sector is an effective remedy against inflation. In order to achieve a permanent solution to the coverage of exchange rates at the National Bank of Yugoslavia, it was crucial that, 10 years later, we succeeded in stopping their further acummulation. This was done through the adoption of the law on foreign exchange transactions. Simultaneously, added Rikanovic, the SFRY Assembly received the law on the coverage of foreign exchange rates, which envisages their transformation into a state public debt. Precisely for this reason, Rikanovic believes that we should reject the proposal to change in favor of a deficit financing of the federation. This is being done at a time when foreign exchange rates at the National Bank of Yugoslavia, at all levels, together with interest rates in the next 5 years, make up nearly five federal budgets. To accept such a stand would mean yet another postponement of a radical effort against enormously high overhead costs.

Because of all the envisaged and realized changes and achieved results, it seems to me that our financial system no longer resembles a ruin, but rather that it is assuming a constructive form. Time is lacking for a true reform of the tax system. The federation thus remains without possibilities for using the tax policy, apart from the monetary-credit policy, as the second basic lever which all societies with modern market economies are using today to rationally manage economic trends.

Josip Vrhovec believes that this critical moment is expressed in the clash between the crisis-ridden economic and political trends and relations in the country. This interdependence has a negative reciprocal influence, and we should do everything that we can to ensure that a positive reciprocal influence is established between these two basic segments of our general life. Also, politically we should do everything to ensure that the fight against the economic crisis waged by all social forces and social organizations is more successful than it has been to date. Unfortunately, although we know this and although we have incorporated it into our conclusions, in practice nothing changes. We will not be forgiven if we go on repeating what we know without taking substantive action to overcome the problems.

Vrhovec then emphasized the international aspect of the Yugoslav crisis and warned that Yugoslavia's status and reputation are diminishing rapidly. He therefore insisted that this session's conclusions should forcefully pinpoint the extent of our responsibility, or lack of responsibility, for everything that is happening. He stated that we are permanently and intensively worsening our country's position in the world. In analyzing work efficiency, labor productivity, and investment efficiency, Vrhovec requested a deeper investigation into these problems. It is obvious, Vrhovec continued, that we have positive results in our foreign trade, in increasing our foreign currency reserves, in foreign currency influx, and in our balance of payments. We have done this because as a society we have stimulated these activities through a system of measures. This, I think, should be a signal that appropriate and strong incentives should be devised in the whole cycle, which will then perhaps be able to change things. However, he warned that these incentives should be realistically assessed. He explained this by referring to the so-called realistic rate of interest and the realistic foreign currency exchange rate. The reality lies in the fact, said Vrhovec, that obviously without these we will not be able to push our economy toward the world market, and the unrealistic thing is that we still have to pay a high price for this. [passage omitted]

Veselin Djuranovic said that there should be no controversy over establishing an economic policy for next year which would further develop and concretize reform, which began with specific measures this year and which will probably be comprehensively effected systemically within the context of our economic reform. [passage omitted]

After pleading for all sociopolitical communities to ease the burden on the economy by as soon as the end of this year, Djuranovic said that we must ascertain whether some sort of domestic debt consolidation can be effected in this way and thereby favorably improve the economic situation. In any case, stressed Djruanovic, the basis question is what are the realistic chances of halting and lowering inflation next year—that is to say, when will it be possible to alter the current high rate of inflation by halting and then lowering it. Djuranovic believes that unless this question is answered it is impossible to adopt a policy for next year.

Although I remain an optimist, Janez Zemljaric said at the begining of his speech, I fear that we have entered a very critical stage in implementing the May measures. Instead of stabilizing economic trends and creating a most essential, economically strong springboard from which to move into economic reform and restructuring, the overall economic situation is worsening. Inflation has increased beyond all calculations. According to estimates, by the end of this month it will amount to approximately 236 percent compared to last October.

The wave of increases and pressure to increase prices for the products which are under some form of social control are not abating. There is growing demand to establish a framework for nominal limits on overall expenditure and monetary-credit policy. There is increasing demand to abandon a realistic evaluation of the production factor, allegedly until economic trends have become stabilized. The forms of noncompliance with internal financial commitments and claims on the basis of credits, rates of interest, and commodity exchange are growing. For instance, reciprocal claims between purchasers and suppliers amounted to almost 60 billion dinars by the end of June, while the federation and the National Bank owe the economy over 1 trillion dinars. This is why I think, Zemljaric said, that at this point it is irrevocably important to step up economic and social action and channel it into these unfavorable economic operation trends along the line of the May measures, and to prevent them from having a negative impact.

Speaking about the economic situation, Zemljaric said that despite all the proclamations no great shift had been made toward liquidating unproductive and loss-making production programs and organizations. In 1986 we had no more than 23 bankruptcies, and 45 bankruptcies in 1987. This year the process of liquidating some 60 organizations of associated labor has allegedly begun. In neighboring market economy countries the abolition and emergence of new economic factors is a normal, daily economic practice, Zemljaric said.

In conclusion, Zemljaric said that it would be wrong to expect that after 40 years of administrative and planned regulation of economic trends we could quickly bring about a strong market mechanism effect. However, in our country the single Yugoslav market is disintegrating instead of getting stronger. The commodity trends between our republics and provinces are below the OECD member countries' trade level, and the supply of goods is excessively low and increasingly in the nature of a monopoly. Varied attempts are made to prevent the export of goods, including political ones, Janez Zemljaric said.

Sinan Hasani drew attention to the fact that in the economic reform proposals, job finding had not been given an appropriate place. It is by and large referred to in connection with social policy, although it is clear that unemployment will continue to grow. It has been mentioned, Hasani said, that some 1 million workers will remain without a job as a result of implementing the reform. It is estimated that as many again are unproductively employed in the economy, in noneconomic activities, and in the economic and noneconomic administration, while over 1 million people are awaiting employment in the self-management interest communities. It follows therefore that some 3 million Yugoslavs could find themselves without a job. Of course, those people who for various reasons have lost their job have priority in being given employment, which means that the prospects of a great number of people, mainly young people who have never yet had a job, are going to be whittled down even more. This is why, Hasani added, it is unrealistic to assume that by 1995 we will reach full employment. We must, Hasani said in conclusion, ponder deeply over these problems. Standard policy must exist in the country which will take account of entire Yugoslav areas and specific regional areas, too.

Federal Economic Secretary Radoslav Bohinc said that strong expendure pressure is forcing the economy to protect and maintain its economic position through price increases. There are no realistic prospects of stopping the growth of inflation this year, but there are indications that conditions have been created to stop the fall of production. Bohinc dwelled especially on the monies taken out of the economy stating that it is now left with just over 51 percent of its revenue, which is 4.8 percent less than last year. This 4.8 percent increase in the money taken out of the economy amounts to 1.245 trillion dinars. At the same time, the economy is wrestling with a shortage of funds; 4,850 of its organizations had their bank accounts blocked periodically during the first half of this year. The share of the federal budget in the social product, Bohinc added, was reduced from 6.67 percent in 1981 to the present 6.19 percent. However, the so-called extra budget expenditure has virtually caught up with the budget expenditure. Bohinc believes that the federation budget, together with the extra budget expenditure, should be reduced to a 7.5 percent share in the social product and the overall commitments financed only within this framework. A portion of the shortfall in the federal exchequer that would arise as a result of this reduction in the money taken by the government could be covered by issuing bonds to the value of at last 2 trillion dinars. Such measures must be adopted particularly when one bears in mind the fact that to keep the economy in the current material conditions would signify a 220-225 percent inflation rate this year and 300 percent inflation next year.

It is a well-known fact that agriculture, with the exception of subsistence farming, is subsidized everywhere, said Lazar Mojsov at the beginning of his report. In developed countries production is subsidized by subsidizing consumption. Yugoslavia is also in a position to subsidize production and consumption. Some subsidies can be avoided, Mojsov said, bearing in mind the great natural possibilities of developing our agriculture and food production.

Mojsov said that agriculture in the social sector is now in an unequal position vis-a-vis the individual sector, because it has to pay interest on credits used for buying agricultural produce from the food industry, on reserves, and on costs of storage, as well as paying a large profit margin and discount to the trade and a large depreciation for mechanization. [passage omitted]

In Mojsov's view, the unburdening of the economy could be partly carried out by clearing mutual debts and appropriations. In the world, especially in developed countries, systems exist for unburdening the economy and clearing mutual debts both on the national and international level. We also had several confrontations with the bank for the clearance of international claims in Berne. Why could we not build such a system instead of some lump sum appropriations from the past, which yield only temporary results? In his opinion, a system should be established at the level of republic or province for the continual clearance of these debts and claims either via a special bank or a special sector in the service of social accountancy for matters which exceed republican-provincial borders. This would be an interrepublican institution which would deal with matters on a permanent basis, Mojsov said.

For a long time, Nenad Krekic said, we have been creating a picture of a good economic situation in the country, transfering all our irrationalities and inefficiencies to the area of foreign economic relations, which is why, inter alia, our country's foreign debt has increased. As a rule we have turned all discussions on the country's economy into discussions on foreign exchange law, on regulations in the sphere of economic relations with other countries, on the distribution of foreign exchange, credits, and foreign borrowing. Now we are in a situation where we have largely resolved our economic relations with other countries in a correct manner, and where as a result, among other things, we are achieving certain successes in this area.

At home, the debates on laws, regulations, and foreign exchange have immediately ceased, but because of this the real discussions on irrationality and inefficiency in our economic system have begun. We have begun to debate interest rates, the efficiency of economic activity, reserves, working capital, the coefficient of circulation [koeficijent obrtaja], and so on. We have created for ourselves, I should rightly say, the possibility of achieving, against the background of earlier mistakes and in a very short timeframe, unity on the need to implement economic reform in the country, Krekic said.

However, we have done one thing which is new for our economy, and that is the liberalization of imports. Although this measure has only been in effect for 4 months, it can be seen that exports have been proceeding at a very good rate since 1 July and that conditions are being created for better supplies of imported semimanufactures, and at the same time for a greater competitive supply on our market. In 1987 we had 11 percent of imports fully unrestricted, while according to the latest information from the customs this year we have almost 50 percent. This is, therefore, a great advance, and I believe that it is good that the Yugoslav economy has succeeded in accepting and implementing this change in a correct manner, Krekic said.

Krekic noted that there are branches of industry which have noticeably reduced production and in these circumstances increased exports, which means that the Yugoslav market is very limited and that they have to go for exports. However, there are many branches of industry which have appreciably increased production and reduced exports, which means at the same time that we have not made the Yugoslav market sufficiently restrictive. We have not oriented them sufficiently toward the world market, and here we will have to make some corrections in the coming period, Nenad Krekic stressed.

Recalling that today's session discussed the scope and shortcomings in the constitutional amendments and that special stress was placed on the problem of the taxation system and the degree of its unity, Dusan Popovski, president of the SFRY Assembly, said that the adoption of laws on economic reform is already experiencing delay.

Systemic laws are continuing to reach the Assembly. I assume, Popovski said, that there could be a bottleneck in the FEC and the Federal Assembly. Therefore, I believe that we should do all we can for our complete mobilization. We should also carry out a selection of projects, those which must be completed by 31 December so that the system can take effect as of 1 January, and those projections which can possibly wait.

Speaking about social tension and its effect on changes and reform, Popovski said that there could be a great explosion among the young generation, which has been educated but is unable to find work. We must open up the channels, the capacities for these people, because this could be a major factor in social explosions. [passage omitted]

In addition to its basic functions, the monetary and credit policy is constantly weighed down by special requirements as well, said Dusan Vlatkovic, governor of the Yugoslav National Bank. It is asked to resolve the insolvency of the economy, bad debts, and the like; it is also facing other tasks which are not in its jurisdiction. For this reason, as far as credit-monetary policy is concerned, the national bank must be freed of all this business which has to "be passed" on to where it belongs—the commercial banks.

Speaking of the implementation of the credit-monetary policy this year, Vlatkovic pointed out that partly because of the structure of the money trends, and partly because the rate of exchange is growing faster than envisioned in the economic policy, about 2.4 billion more dinars were printed in the first 9 months of this year, although a 740-billion dinar reduction had been planned.

In order to have a more efficient credit-monetary policy, the current balance of payments surplus in the convertible currency area must be reduced, but not by reducing the current rate of exports. Additional involvement in reducing the surplus with the clearing area and on reducing the claims on the developing countries is also required.

There is no efficient credit-monetary policy unless the burden on the economy is eased. This will contribute to the stabilization of the financial position and the liquidity of associated labor and banks. One of the more important conditions is to solve the problem of bad debts and losses, and especially those caused by unsupported exchange rate differences.

Referring to the discussion today, FEC President Branko Mikulic said that the stances on the public debt, state bonds, and budget reduction put forward by individual FEC members are exclusively their own personal views. The FEC has not yet discussed these questions, and when it has formulated its views on these issues it will inform the SFRY Presidency and the Assembly.

The FEC, Mikulic added, will not start discussing a reduction in resources for the Yugoslav People's Army until it has received instructions from the SFRY Presidency and the Assembly. The FEC will act in the same way also as far as the supplementary resources to finance the undeveloped republics and the Province of Kosovo are concerned.

Mikulic recalled that extra-budget spending, which was today referred to at some length, was predominantly channeled into encouraging exports, supporting exchange rate differences, the construction of the freeway, and material reserves. It is therefore necessary to evaluate in great detail whether it is possible to reduce this kind of spending and by how much.

After Mikulic's statement, this joint session of the top Yugoslav state body and the federal government was concluded by Raif Dizdarevic, president of the SFRY Presidency. In his assessment, it was held at the right time and it fulfilled its tasks. This is because during this session, views were exchanged on the essential decisions which have to be made during the remaining 2 months [of 1988] and on what must be the basis when the development policy for next year is drafted.

Dizdarevic particularly stressed the serious nature and the substance of the discussion today which analyzed the essence of all the preparations for the beginning of the implementation of economic reform. Many useful ideas were advanced as well as differing views on individual economic policy measures which have yet to be legislated. However, in Dizdarevic's assessment, full agreement has been reached on all essential questions and problems which have to be tackled in order to revive the economy, reduce inflation, and stimulate the development of our foreign trade activity.

Dizdarevic found it necessary to draw attention in this context to the danger when, under the pressure of serious problems which must be solved, we could succumb to the atmosphere in which we can see the gravity of the problems rather than the opportunities to overcome them. I have been prompted to do this, as he himself put it, by some of today's discussion statements which displayed rather modest ambitions and too modest steps which must be taken to climb out of the current crisis. The president of the SFRY Presidency explained this assessment by referring to the fact that some other countries, too, and not only Yugoslavia, had experienced such a situation and had taken decisive and successful actions to extricate themselves from these difficult situations. Dizdarevic believes that Yugoslav ambitions can be and must be greater in this respect because there is a feeling of realistic optimism for our country pulling out of the crisis faster if we are well organized for implementing the reform objectives, and if this action is united and resolute.

In conclusion, Dizdarevic called on the FEC to draw its conclusions from the discussion at this session for the adoption of the measures which are within its jurisdiction or for the measures to be tabled in the SFRY Assembly.

Korosec Says Public Supports LCY Plenum Decisions

LD3010113588 Belgrade TANJUG in English 1835 GMT 30 Oct 88

[Text] Belgrade, October 30 (TANJUG)—The discussions and the conclusions adopted at the 17th League of Communists of Yugoslavia (LCY) Central Committee Plenum have been accepted by the public with encouraging optimism. This further confirms that all ideas and proposals of a Yugoslav character can and do have the full support of the public, LCY Presidency Secretary Stefan Korosec said in an interview to TANJUG.

Stressing the need for greater initiatives by the party in resolving current social problems, Korosec said that the LCY cannot take upon itself the duties of state and other organs. The implementation of the three reforms (an economic political and party reform) requires a strict division between the state and party, he said.

The illusion must be shattered that it is possible to accomplish major tasks exclusively through the activities of the Central Committee and its Presidency.

He highlighted as one of the main tasks the activities on transforming the League of Communists because a transformed League of Communists is a condition for the implementation of the economic and political reforms.

We must create a favourable social climate for the implementation of the three reforms and ensure unity on those issues that received unified support at the 17th party plenum, Korosec stressed in the interview.

Journalists' Meeting Discusses 'Social Crisis'

LD2810100088 Belgrade TANJUG Domestic Service in Serbo-Croatian 1233 GMT 27 Oct 88

[Excerpt] Belgrade, 27 Oct (TANJUG)—Divisions along republican and provincial borders certain divide the information sector. However, is it true that in the propaganda war which has been waged over the last few months, journalists have become political mercenaries? This will be one of the main questions at a 2-day assembly of the Yugoslav Journalists' Federation, which has been organized on the topic "The social crisis and journalism in crisis."

Greeting some 70 delegates and roughly the same number of guests at today's meeting, Bozidar Colakovic, president of the SAWPY Federal Conference, noted the need to overcome the material and ethical crisis in journalism, which is growing with the exacerbation of social relations.

"The SAWPY, as the founder of the majority of the public media, is particularly interested in opening up sources of information and socializing these activities in order to ensure objective and timely information for all the Yugoslav public," Colakovic stressed.

Speaking about the tasks facing the SAWPY and the Yugoslav Journalists' Federation as a significant part of this, he highlighted the democratization and affirmation of openness in work. It is the duty of journalists and politicians to make such a work method a constant practice because this request is strongly stressed in all current sociopolitical events.

Colakovic also spoke about the thesis on divisions in the public media, describing the situation as often exagerrated. It is true that only a small number of media report on events in other environments from a subjective angle. In addition to a lack of goodwill, this is to a large extent a matter of an insufficient understanding of the interests and needs of other environments. Thus, in his view, better mutual acquaintance is the way toward the more objective dissemination of information.

On behalf of the SAWPY, Colakovic praised journalists for reporting the truth about Kosovo. This thankfulness would have been much greater if the facts about events in the southern province, the huge indebtedness of the country, and other important questions had been discovered more quickly, but the leaderships are more to blame for this than journalists, Colakovic concluded. [passage omitted]

New Journalism Code Adopted

LD2810224288 Belgrade TANJUG in English 1220 GMT 28 Oct 88

[Text] Belgrade, October 28 (TANJUG)—A journalist is neither a "socio-political" nor a "public" worker but a professional whose task is to inform the public about "things of interest to everyone," says the new code of journalists of Yugoslavia, adopted at the annual session which closes here today.

The new code contains no ideological "preambles" since its starting point is that a code is a collection of ethical rules and professional principles which should apply to all journalists, regardless of whether they work in political- informative papers, illustrated magazines or religious papers.

The new code deals mainly with what journalists urge, what rules they obey, what they appreciate and promote, making it different from previous codes which contained long lists of negative occurrences which journalists were obliged to combat.

A section of the new code on the rights and duties of journalists streses that the media is free, independent and enquiring, it works in the interest of publicness of work, self-managing democracy and social progress in Yugoslavia's system of socialist self-management.

The new code urges that the basic principle of journalism should be an independent and critical stand in the search for truth and thus actively participate in the forming of the public opinion and collective assessment of things which concern everybody.

Participants Demand More 'Independence'

LD2810223888 Belgrade TANJUG in English 1706 GMT 28 Oct 88

[Text] Belgrade, Oct 28 (TANJUG)—At the close of their annual conference here today, Yugoslav journalists called for an end to the "informal marriage" of political structures and mass media and demanded a greater measure of independence for their profession. It was said that the greater measure of inpendence also implies greater responsibility for every written or spoken word.

The Union of Yugoslav Jorunalists has more than 13,000 members. They work in nearly 30 daily papers, tens of weekly publications and eight radio and television studios (each republic and province has its own studio), as well as in a large number of local papers, radio stations and publications published by enterprises.

The conference discussed the social crisis and crisis of journalism and assessed that the press and journalists were faced with serious trials in the past year. It was stated that many newspapers, editors and journalists had sided with their local leaderships in the inter-republican political disputes and quarrels in the past year, erring against truth and in turn only contributing to the divisions and the spreading of mistrust and tension in the country.

This conduct was described as a poor service to the journalistic profession, the public and Yugoslavia in general. In that context, the Union of Yugoslav Journalists endorsed the stance adopted at the last party plenum on the need for journalists and the press to make an effort to stop divisions, abuse and manipulations of the media and the "propaganda war" that have been raging in the country in the past few months.

Calls for independent and investigative reporting which will be in the service of citizens, instead of political-bureacratic structures, have found their expression in a new code adopted by the Union of Yugoslav Journalists.

The code no longer defines the journalist as a "socio-political worker," but as a professional obliged to inform the public truthfully, objectively and promptly in the interest of democracy and social progress.

National Electricity Board Standardizes Prices

LD2110182188 Belgrade TANJUG Domestic Service in Serbo-Croatian 0927 GMT 21 Oct 88

[Summary] Titograd, 21 Oct (TANJUG)—The Yugoslav Electricity Board (JUGEL) agreed that electricity in all eight electricity boards in the country will be sold at the old prices. However, POBIEDA notes that as of 1 October the so-called winter rate applies. The winter rate is twice as expensive as the summer rate. When all three of this year's electricity price increases are included, it becomes clear that a kilowatt of electricity is approximately three times more expensive than 10 months ago.

JUGEL has not given any guarantees concerning future price increases and constantly finds new explanations for why it considers electricity to be inexpensive. It does not mention the fact that eight electricity boards have not made any attempts to establish a unified electricity board and jointly construct more economical power stations.

Air Force Units Hold Combat Training Exercises

LD0610050388 Belgrade TANJUG Domestic Service in Serbo-Croatian 1720 GMT 5 Oct 88

[Text] Belgrade, 5 Oct (TANJUG)—Members of aviation and helicopter units in the Air Force and Air Defense today, in the framework of the program of regular combat training and instruction, carried out a tactical exercise with firing at targets, which was attended by Colonel General Stevan Mirkovic, chief of the General Staff of the Armed Forces, and Lt Col Gen Anton Tus, the Air Force and Air Defense Commander, and several other senior officers of the Yugoslav People's Army.

Assessing the effects of the firepower of the Eagle, Super Seagull, and the Hawk aircraft and of the Gazelle helicopter and other aircraft, as well as the degree of the pilots' training and skill, Gen Mirkovic stressed that all the units that took part in this exercise demonstrated an enviable degree of training and skill.

Serbian LC Presidium on Upcoming Conference

LD2910000088 Belgrade TANJUG Domestic Service in Serbo-Croatian 1931 GMT 28 Oct 88

[Excerpts] Belgrade, 28 Oct (TANJUG)—Today at a session of the Serbian LC Central Committee Presidium, it was decided that the Serbian LC conference will be held from 21 to 23 November.

Today the Presidium concluded that the joint session of the Presidia of the Serbian LC Central Committee and the Kosovo LC Provincial Committee on carrying out the conclusions of the 17th session of the LCY Central Committee on Kosovo will be held 2 November in Belgrade.

A statement was released from the session of the Serbian LC Central Committee Presidium stating:

Today the Serbian LC Central Committee Presidium discussed at a session chaired by Slobodan Milosevic a draft of the document "Tasks of the Serbian LC in Implementing Economic and Social Reform" for the forthcoming Serbian LC conference.

1. The Presidium concluded that the Serbian LC is being held in an exceptionally complex economic, social, and political situation. The aggravation of the situation in Kosovo has the greatest influence on this. The activity of Albanian nationalists and separatists continues with the same ferocity and threatens far wider and more tragic consequences. This is affirmed by increasing national divisions in the public debate in Kosovo about the draft amendments to the Serbian Constitution. Demands that the 1974 Constitution should not be changed and a rejection of the amendments to the Constitution mean direct opposition to the LC stances and to the efforts of the entire Yugoslav community to resolve the Kosovo drama. For that reason, ideopolitical responsibility, which above all Communists in responsible positions must bear, must be consistently and thoroughly established.

The essential characteristic of the present situation is the current political situation in the Socialist Autonomous Province of Vojvodina and the overall efforts by the LC and other socialist forces to overcome it as quickly as possible. The future direction of the political activity in the Vojvodina LC has to lie in a break with the present policies, especially with bureaucracy; isolation of the leadership from the people and of parts from the whole; in shedding cadres who are bearers of such mistaken policies; and in a democratic election of new people who in the ideological struggle are advocating the strengthening of unity and togetherness in Serbia and Yugoslavia, which does not question the autonomy of the SAP. Communists are obliged to energetically oppose attempts to underestimate and devalue the progressive political change which has originated through the will of the working people and citizens, and especially in efforts to secure democratic procedure in the dismissal and election of cadres. [passage omitted]

The key orientation of the Serbian LC is that increased efficiency and quality of economic activity and people's improved living standards must be achieved through economic and social reform. At the same time, this reform must make a break with the etatistic form of economic activity, autocratic development, voluntary decisionmaking, and formal self-management. The reform must secure full adherence to the laws of modern commodity production and the release of creative initiatives of collectives and individuals; and this means the full independence of enterprises, the strengthening of the market method of economic activity, and a speedier adjustment to modern trends of economic development.

The changes in the SFRY Constitution upon which we have now decided are only the first steps on that road. For that reason, we must persevere in the stand that we should approach the adoption of the new constitution, which will direct further changes in the political system toward a more modern and efficient political system of a socialist, self-managing society. [passage omitted]

2. The Serbian LC Central Committee Presidium concluded that preparations for cadre renewal and changes in members of the LCY Central Committee from the Serbian LC are to be initiated right away, in accordance with the decisions of the 17th session of the LCY Central Committee.

It is concluded also that at the same time appropriate cadre changes in the Serbian LC, from the Central Committee to municipal committees of the LC, should be considered.

This task will be performed on the basis of the criteria for the cadre renewal which were adopted at the 17th session of the LCY Central Committee, in which the primary criterion will be results and responsibility in implementing the LC policy.

3. The Serbian LC Central Committee Presidium was informed by the working group of the Serbian LC Central Committee Presidium for following the work and offering help to the Vojvodina LC Provincial Committee, about the progress and dynamics of the present activities in the Vojvodina LC. The stabilization of the situation is not the consolidation of the old policies but rather the realization of the policy which is expressed by mass demands of the working people, citizens, and Communists of Vojvodina. The Presidium assessed that the first condition and the most important task in stabilizing the political situation in the SAP of Vojvodina is the radical cadre change. [passage ommitted]

The Serbian LC Central Committee Presidium established the draft of the document for the Serbian LC conference and decided to send it to delegates and municipal committees for timely preparation and verification of the proposed stances among the grassroots. The Serbian LC conference is scheduled for 21-23 November 1988. The statement from the session of the Serbian LC Central Committee says that the introductory speech will be given by Slobodan Milosevic.

Shots Fired at Pec Factory; No Injuries

LD2810155688 Belgrade TANJUG Dometic Service in Serbo-Croatian 1356 GMT 28 Oct 88

[Text] Pec, 28 Oct (TANJUG)—Last night at 2030 an unidentified person fired several shots at the Braca Karic factory in Pec. Guards returned fire but fortunately no one was injured. The Pec internal affairs secretariat was immediately informed. An hour after the incident an unidentified person called the porters at this collective by telephone and provoked them.

Today the Committee for All-People's Defense and Social Self-Protection at the Braca Karic composite organization of associated labor in Pec described the event as a deliberate, hostile attack by irredentists in order to create fear and anxiety among members of this collective and those further afield. The attack was also discussed today by the Pec SAWP Municipal Conference Presidium, which condemned this attack on Braca Karic and demanded that the security organs identify the attackers as soon as possible. This is the second recent attack on this exemplary and well-known enterprise in Pec. It is clear that the collective is becoming a thorn in the side of those who are bothered by its successful economic development and its employees' good intranational relations.

Daily on Difficulty of Constitutional Changes

AU2810171888 Belgrade POLITIKA in Serbo-Croatian 24 Oct 88 p 5

[Dragan Bujosevic commentary: "Between Desire and Opportunity"]

[Text] It is now quite certain that Yugoslavia will receive a new constitution on 29 November, so that date will once again be written into its history. One-third of the new constitution's text will differ from that of the existing one.

The first question to be asked is whether this is a lot or a little. Answers are sometimes quite different, too. One could hear in the Assembly, even at the end of the constitutional discussion, that the existing Constitution is not the cause of the crisis; the problem is only in the fact that it was not consistently put into practice. This claim was not followed by an explanation of why it was not put into effect if it was so good. Another claim is that a good part of the cause of the crisis in the economic and political system is to be found in the Constitution itself, so that it is proposed that a completely new one be written instead of just corrections to the existing one.

Economy Without Power [subhead]

Clearly, such points of departure also create differences in the appraisal of the work that has been done. Nevertheless, it seems that a great majority of the participants in the discussion over the constitutional changes believe that there has been a considerably greater shift in the economic rather than in the political system. Some describe the changes in the economic part as historical and quite sufficient for the profound economic reform. Of course, the view exists that even these changes in the economic part are not quite sufficient for the desired establishment of a market economy. Thus Burhan Ademi, a delegate to the SFRY Assembly Federal Chamber from Macedonia, said that there continue "to be insufficiently worked out solutions which concern the realization of mutual interests; the provision of conditions for creating a unified Yugoslav market through a unified monetary, foreign-currency, credit, and banking system; taxation policy and system; and united scientific-technological development." Ademi was not alone in such thoughts.

There is the general belief that these changes have left the political system and relations within the federation virtually intact. Many people actually see this fact as the greatest danger for the implementation of changes in the economic system. Ante Markovic clearly pointed this out in the discussion in the SFRY Assembly's Constitutional Commission when he said: "The changes in the political system are not suited to the changes in the economic system. Therefore, it is quite certain that in the operation of the economic system, they could bring many decisions to a halt, or into question, or even negate them." Markovic also claims that a redistribution of politics and economics in favor of the latter is lacking but, also that many solutions in the economic part "do not offer more than is absolutely necessary."

Inviolable Relations in the Federation [subhead]

This disharmony between the economic system and the political system and relations in the federation is a consequence of the definite belief of certain republics that neither the basic principles of the Constitution nor relations in the federation should be touched. So, the absurd situation has been reached in which Slovenia, for example, advocates a market economy but at the same time supports the survival of "national economies" in the political superstructure. If any two things are incompatible, then these are the market and the "national economy." Thus, Gaso Mijanovic was able to say in the constitutional commission: "We are behaving as if we were filled with some kind of prophetic spirit in 1974, and as if we created the best of all possible worlds which must remain unchanged. However, this opposes both the laws of dialectics and the LCY program. Only the equality of peoples can be inviolable, and not the system of federalism as well." Ciril Ribicic immediately retorted by saying that Slovenia does not agree to changes in the system and the instruments of federalism.

The public discussion has shown that the people wanted and desired changes, both in this political portion of the Constitution and in relations in the federation. However, the limits to the changes which were established sometime before the start of the public discussion prevented the demands for the scrapping of the Presidencies of the republics and provinces and the sociopolitical chambers, for the introduction of an associated labor chamber into the SFRY Assembly, and for the election of the SFRY Presidency in the SFRY Assembly (in the last case, the only thing to be accepted was that the Presidency is responsible to the Assembly for its work) from being met. It would be interesting to say here that some delegates from Slovenia have recently justified the nonelection of the members of the Presidency by the SFRY Assembly by referring to the consequences of the results of the vote of confidence in the LCY Central Committee Presidium.

All this to a certain extent also brings into question the mechanism of the changes to the Constitution. In this case the different stands contradict each other. Zarija Martinovic, a delegate from Serbia to the SFRY Assembly Federal Chamber, also proposed the possibility of a referendum if all the republics did not reach a consensus on the changes to the Constitution.

The Crucial Voice of the Public [subhead]

He added that he found it incomprehensible and unacceptable that a constitution containing 176,000 words was to be changed and endorsed only with the unanimous consensus of all the republics and provinces. On the other hand, Joze Susmelj, a Slovene delegate said: "There is no majority or minority when it comes to approving the Constitution. In a federal state there can only be the agreement of each republic. This is the condition for every people to feel free and equal. Any other method which would be based on a majority vote would destroy the foundations of AVNOJ [Anti-Fascist Council of the National Liberation of Yugoslavia] Yugoslavia." Mijat Sukovic, a delegate from Montenegro, replied to this by saying that insisting on one's own interests is just as contradictory to the AVNOJ spirit, which is something which, regardless of wishes, can lead to mutual interests being endangered and the destabilization of Yugoslavia. "If one republic insists on its own stand to the exclusion of others, then it does not totally respect all the aims of the SFRY Constitution, but uses only one of its rights, which no one can deny it," said Sukovic.

This clash of different opinions will continue, of course. Fortunately, this will happen in front of the public, because it can be said that the whole of this discussion has taken place before it, like no other discussion to date. However, it can also be said that the public, and above all the Slovene public, has this time played a key role in the creation of the new constitution. Some amendments that had been accepted by the other publics were adopted primarily because of the Slovene public's definite rejection of them. These included unified bases for the education and training system, the sphere of activity of the work of the chamber of republics and provinces, the authorities of the Federal Court and the Constitutional Court of Yugoslavia, and so on. It would also be interesting to point out here that the Slovene public, under the influence of what have been officially called "extrasystemic [vansistemski] groups," rejected all the amendments at the beginning. Only after the stands taken by the Slovene SAWP and its assemblies stating that they would only agree to those changes which do not endanger the sovereignty of the Slovene people, did the Slovene public really involve itself in the discussion on the constitutional changes. All in all, the constitutional changes seem to have been the most dramatic so far, because of the greater involvement of the public.

It is indisputable that the public will continue to play a key role in future constitutional reforms. It was decided primarily upon the demand of the public that the SAWPY will determine by 1 January who will propose the formulation of a totally new constitution. It is exceptionally significant that, in adopting this conclusion, the Federal Chamber also said what was untouchable and what will be "sacred" in the new Yugoslav constitution: "Socialist self-managing democracy, the equality of peoples and nationalities, the federal structure, and the power of the workers class." If the present changes to the Constitution have permitted the implementation of only one of the three desired reforms (the economic one), then the new writing of the Constitution, based on this stand of the Federal Chamber, would have to bring about the other two which were supported by everyone: political reform and the reform of the LCY. That was impossible this time, primarily because it was said in advance that the basic principles of the Constitution are inviolable.

Constitutional Debate After 17th Plenum Assessed

AU2810213388 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 28 Oct 88

[Zivojin Jerotijevic commentary]

[Text] Only 1 day after the publication of the direct tasks of Communists in overcoming the unfavorable economic, political, and social situation in the country, the public discussion in Kosovo on amendments to the Serbian Constitution has taken an undesirable and worrisome course. This is not only because there are open polemics about the clear stands of the 17th session of the LCY Central Committee, but also primarily because a new and, it seems, mass polarization of views on a national basis has occurred. If this tendency is not halted by urgent political intervention, there is the greater danger of the outcome of the public discussion being threatened, as well as the (?deadline) of the adoption of the amendments to the republican constitution.

The specific, firm stand of the 17th party plenum which unambiguously stressed that the amendments, as formulated by the Serbian Assembly, are in line with the policy and documents of the LCY, has obviously surprised many people in Kosovo. On the initiative of the constitutional commission, which is headed by the frequently mentioned Kurtes Salihu, the SAWP Provincial Conference quickly published instructions which put the draft amendments and the separate attitude of the province on the same footing, and even recommended this document as being of the same importance and a basis for the public discussion. This essentially disputes the draft amendments, ostensibly because they deny the autonomy of the province and restrict the constitutional rights of nationalities.

In certain communities the reaction has been vehement, but ethnic Albanian party members in the highest organs and institutions of Kosovo, who have an important influence on the political mood of citizens, have taken out of mothballs the 20-year old dilemma over some specialist and political terms, primarily over the concept of the element of federalism. In their opinion, the absence of a scientific explanation of this concept represents the main problem and even the hidden possibility of manipulation, so that this is therefore the main reason for an energetic and sometimes theatrical, blanket rejection of the constitutional changes.

The question which is particularly dramatized is: Does the province not have the right to approach the federation directly? Perhaps mistakenly, it is not understood that the amendments in fact permit the direct participation of the autonomous provinces both in the structure and in the decisionmaking of the federal system, and that precisely because of this, the provinces are constituent elements of Yugoslav federalism.

On the other hand, the conclusion has probably been reached in the headquarters of the greater Albanian counterrevolution that a revision of the clear political stand of the 17th party plenum on the ideological platform of the draft amendments to the Serbian Constitution could be forced in this way. It has probably been realized that the amendments would finally shatter the romantic dream of a Kosovo republic, so a large propaganda machinery has been put into operation to defend this aim. So whether they intended to or not, ethnic Albanian party members find themselves in practice on virtually the same political platform as the proponents of the concept of a greater Albania despite having different motivations and arguments.

However, this does not reduce the confusion which has overcome the ethnic Albanians. This is especially so as the provincial leadership and, surprisingly, the party leadership generally continue to keep quite. It remains to be seen whether this is because of an inability to cope with the situation or because of a preoccupation with some other pressing task—for example, of the cadre renewal—or because this involves a political act which is a warning and a cause for concern.

FEC Discusses Ways of 'Unburdening' Economy

LD2910152888 Belgrade TANJUG Domestic Service in Serbo-Croatian 1357 GMT 29 Oct 88

[Text] Belgrade, 29 Oct (TANJUG)—The FEC will propose a program for unburdening the economy within the competence of the federation, FEC member Stevo

Mirjanovic stressed today in his introductory speech at a session of the SFRY Assembly's Chamber of Republics and Provinces, which has just begun in Belgrade.

In addition to measures already adopted, the FEC is trying to secure savings and to find a way of unburdening the economy by rationalizing federal administrative organs and federal organizations, by rationalizing services in diplomatic-consular missions, by reexamining possibilities for unifying protocol services at the federal level, by reexamining the right of some workers to early retirement, and by reexamining expenses in international cooperation.

Also being considered for reexamination is the right to use official cars and the organization of the federal motor pool, a reduction of expenses on the basis of privileged transport, and the amount of severance pay for workers in federal organs and organizations on the ocassion of their retirement.

Bohinc Addresses Food Supply Problem

LD2910210888 Belgrade TANJUG Domestic Service in Serbo-Croatian 1511 GMT 29 Oct 88

[Excerpts] Belgrade, 29 Oct (TANJUG)—The Yugoslav market is not functioning as an integral and uniform market even after a several months' freeze, and the introduction of the May measures related to the liberalization of prices and foreign trade and foreign exchange regulations. Free imports failed to have a sufficiently strong impact on commodity trends and prices as a whole because imported commodities are not sufficiently competitive when compared to domestic ones, considering the existing tax and duty conditions. This was stated by Dr Radoslav Bohinc, federal secretary for economy, at today's session of the Chamber of Republics and Provinces, as he discussed this year's market supply.

Proceeding from the available commodity funds, he stressed, as well as from the expected trends of production and imports, it is expected that in the forthcoming period—by the end of the first half of next year—the market supply of raw materials, semifinished goods, and finished industrial goods will be satisfactory. However, the supply of agricultural and food products will be insufficient without the introduction of imported goods.

For this reason, stressed Bohinc, problems in the supply of agricultural and food products should be solved on a long-term basis—by increasing agricultural production and not by importing these items.

In order to achieve this, economic measures are needed to create conditions for profitable agricultural production, primary through a price policy, resolving problems of interest rates in agriculture, more favorable credit terms, conditions for the sufficient import of raw materials and semifinished goods, and other economic measures which will further improve the situation in this sector.

The system of barter deals should remain, but it must be treated as a social and not an economic measure in consumption.

Speaking about the realization of the import program, Bohinc said that so far about $200 billion have been spent on buying foreign goods, which is half the amount intended for this purpose. [passage omitted]

Though the import of raw materials and semifinished goods is exempt from customs duties and taxes, and the import of consumer goods is exempt from taxes, the interest of work organizations was on the whole small. Trade work organizations, stressed Bohinc, were to a greater extent oriented to the purchase of domestic products rather than foreign ones, despite the fact that the prices of some domestic goods are higher than imported ones. [passage omitted]

We are aware of the fact that the problems of supply must not be solved by the import program or by commodity reserve funds if the planned proportion of imports for reproduction, and hence the planned growth of production, are not realized. In order to realize this growth, stressed Bohinc, the import of goods for reproduction should reach a total of about $11.4 billion this year. This can be done considering the current balance of payments surplus ($1.628 billion for 8 months) and the fact that the federal market is functioning normally. [passage omitted]

Chamber Adopts Monetary Policy Changes

LD2910211588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1743 GMT 29 Oct 88

[Text] Belgrade, 29 Oct (TANJUG)—Today's session of the SFRY Assembly Chamber of Republics and Provinces ended with the adoption of changes to the decision on the goals and tasks of the joint new money issue and monetary policy, and on joint foundations of the credit policy for this year.

On the basis of savings which will be made possible through a reduction in interest rates that banks are paying on deposits, it will be possible to reduce realistic positive interest rates on bank loans to the economy, which will contribute to its being unburdened.

The chamber also adopted a recommendation to banks whereby these average realistic positive interest rates should be coordinated with the average interest rate of accumulation in the econmy. The banks were also recommended, in keeping with their balance of payments possibilities, to conduct a policy of boosting dinar savings and to revalue the deposits with fixed 1-3 month terms on the basis of the growth of retail prices in the previous month.

'Demolition' of Economic Reforms Criticized

AU3010145688 Ljubljana DELO in Slovene 25 Oct 88 p 5

[Buvac Drago commentary: "Onwards to the Year 1985"]

[Text] Although it is still too early to shout victoriously in announcing the political winner and asserting that we all won at the 17th LCY Central Committee session, one can well see who lost from the economic point of view—the economic policy of the May measures. It may still be too early for such a striking and politically unsuitable conclusion, but it is possible to defend it in two ways at this time of calming passions.

Remember first the political and social climate in which the 17th session of the highest party organ, and the preparations for it, took place. In addition to national euphoria, social rebellion also threatened, and there was the danger that these two aspects of our crisis could be unpleasantly linked; we were warned about this—for instance by Milosevic's charismatic pacification of the Rakovica workers class demonstrations. At the same time, Mikulic's government was quickly adopting measures to increase the rate of growth in personal incomes from the permitted 119 to 127 and later 140 percent. As for monetary and credit policy, it opened up all the taps and it restricted the real rate of interest to 18 percent—of course under the pressure of workers demands and the lowering of public and common spending.

The measures to reduce the burden borne by the economy is quite justified and conforms with the model of the May measures (although we still do not know the ultimate extent), but the other two measures essentially undermine the government's anti-inflation program. Until now personal incomes have been the only firm anchor which kept the program of measures above water. If we had to yield due to social tension, we should not at the same time let go of the other anchor, the restrictions in monetary and credit policy.

This policy has not been restrictive at all. In this respect, the government will certainly have trouble with the IMF experts who are now examining as to what extent the FEC has complied with the creditors under its memorandum.

It would be interesting to find out why in our multinational stalemate we lifted these anchors of the anti-inflation policy. We may suspect that it is a matter of an unprincipled, perhaps silent, barter which allows one side to increase personal incomes because the chance exists, and because it saves the other side from crippling interest rates and opens up the credit taps so that it may revive the old structure of production.

From the point of view of the May measures and the memorandum, this is a dangerous undermining of the anti-inflation program adopted only 5 months ago. After the winter supplies are bought, and pay is increased for the national holiday and the new year, the consequences will soon be shown in the form of even higher inflation. The government lifted both anchors of the May measures at the very moment when it was becoming clear to economic analysts that the monetary and credit policy is no longer restrictive at all, and when personal incomes had begun to increase.

If we look at the economic situation from another angle, we must pay attention, after the 17th LCY Central Committee session, to the Immediate Tasks and Activities of the LCY which have just been published, and especially to points two and three. The highest party organ demands a number of measures to overcome the unfavorable political, economic, and social situation in the country. At the same time it demands a revival of production, a reduction of inflation, a change in the law on wages (of course to more and better) and a more flexible monetary and credit policy, as well as higher subsidies for basic foodstuffs and higher spending on social programs. Serious social analysts will easily note that no anti-inflation policy can do all this at once (without a set sequence of what comes first). Although this is very inconsistent, it is at least clear that the Mikulic government now has the political go-ahead from the highest party organ for a such a demolition of the May measures.

Everybody, especially politicians, sometimes suffers memory lapses. Look again at the government moves with which it is itself destroying the May package of measures, and at the conclusions of the 17th LCY Central Committee session that provide it with political sanction. Does it remind you of anything? It is not such a long time since two party plenums of the previous Central Committee (one of them was also the 17th) in 1985 annulled the anti-inflation measures of the Milka Planinc government. At that time the economic policy of programmed inflation began, and it offered working people pills for higher wages, lower interest rates, and an expansion of money and credit before the party congresses. The Mikulic government began its term in 1986 in the same way. Must we again reconcile ourselves to the bitter taste of these pills, to an even higher rate of inflation and an even faster fall in real personal incomes?

It seems that we are bravely marching forward into 1985 with an accelerated adoption of the constitutional amendments and changes in the economic system. We are marching with the same government and party which fortunately recognized the need for economic reforms, but which unfortunately did not recognize the market and democratic requirements for their implementation.